

For discussion
on 25 September 2020

FCR(2020-21)71

ITEM FOR FINANCE COMMITTEE

**HEAD 142 – GOVERNMENT SECRETARIAT :
OFFICES OF THE CHIEF SECRETARY FOR
ADMINISTRATION AND FINANCIAL SECRETARY**

Subhead 700 General non-recurrent

Item 803 Anti-epidemic Fund

HEAD 37 – DEPARTMENT OF HEALTH

Subhead 700 General non-recurrent

**New Item “Procurement and Administration of coronavirus disease-2019
Vaccines”**

**HEAD 140 – GOVERNMENT SECRETARIAT : FOOD AND HEALTH
BUREAU (HEALTH BRANCH)**

Subhead 000 Operational expenses

Subhead 700 General non-recurrent

**New Item “Special Support Scheme for Hospital Authority’s chronic disease
patients living in the Guangdong Province to sustain their medical consultation
under coronavirus disease-2019”**

HEAD 170 – SOCIAL WELFARE DEPARTMENT

Subhead 700 General non-recurrent

Item 809 Special Scheme of Assistance to the Unemployed

Item 811 Short-term food assistance

Members are invited to approve –

- (a) an increase in commitment by \$5.4 billion from \$150.5 billion to \$155.9 billion under Head 142 Government Secretariat: Offices of the Chief Secretary for Administration and Financial Secretary Subhead 700 General non-recurrent Item 803 for injection into the Anti-epidemic Fund to provide funding for enhancing the

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capability in combating the epidemic, and providing targeted relief to individuals and businesses hard hit by the coronavirus disease-2019 epidemic and directly affected by the Government's anti-epidemic and social distancing measures;

- (b) creation of a new commitment of \$8,441.3 million under Head 37 Department of Health Subhead 700 General non-recurrent for procurement and administration of vaccines against the epidemic;
- (c) under Head 140 Government Secretariat: Food and Health Bureau (Health Branch) –
 - (i) a supplementary provision of \$2,019 million under Subhead 000 Operational expenses in 2020-21 to provide additional subvention to the Hospital Authority to combat the winter surge or the next wave of epidemic; and
 - (ii) a new commitment of \$103.8 million under Subhead 700 General non-recurrent for setting up a designated fund to implement a special support scheme to provide subsidised consultation sessions at the University of Hong Kong – Shenzhen Hospital for Hospital Authority's chronic disease patients who are unable to return to Hong Kong for receiving their scheduled medical consultations in Hospital Authority owing to travel restrictions during the coronavirus disease-2019 outbreak;
- (d) an increase in commitment by \$127 million from \$1,132 million to \$1,259 million under Head 170 Social Welfare Department Subhead 700 General non-recurrent Item 811 to meet the increase in demand for short-term food assistance; and

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- (e) an extension of the Special Scheme of Assistance to the Unemployed under the Comprehensive Social Security Assistance Scheme for six months from 1 December 2020 to 31 May 2021, with the expenditure to be met with existing provisions under Head 170 Social Welfare Department Subhead 700 General non-recurrent Item 809 Special Scheme of Assistance to the Unemployed.

PROBLEM

In view of the recent surge in and intermittent resurgence of coronavirus disease-2019 (COVID-19), we need to further enhance our capability in combating the epidemic, and to provide targeted relief to businesses and individuals hard hit by the epidemic and directly affected by the Government's anti-epidemic measures that are put in place to contain the spread of the virus.

PROPOSAL

2. We propose to –
 - (a) inject \$5.4 billion into the Anti-epidemic Fund (AEF) to enhance the capability of government bureaux and departments as well as other relevant parties in combating the epidemic and provide targeted relief to businesses and individuals hard hit by the epidemic and directly affected by the Government's anti-epidemic and social distancing measures;
 - (b) create a new commitment of \$8,441.3 million under Subhead 700 General Non-recurrent for the Department of Health (DH) to procure and administer vaccines against COVID-19;
 - (c) provide a supplementary provision of \$2,019 million in 2020-21 for Food and Health Bureau (Health Branch) (FHB(H)) to provide additional subvention to Hospital Authority (HA) to combat the winter surge or the next wave of epidemic; and create a new commitment of \$103.8 million to set up a designated fund for implementing a Special Support Scheme to provide subsidised

/consultation

consultation sessions at University of Hong Kong – Shenzhen Hospital (HKUSZH) for HA’s chronic disease patients who are unable to return to Hong Kong for receiving their scheduled medical consultations in HA owing to travel restrictions during the COVID-19 outbreak;

- (d) increase the existing commitment by \$127 million to meet the increase in demand for short-term food assistance; and
- (e) extend the Special Scheme of Assistance to the Unemployed under the Comprehensive Social Security Assistance (CSSA) Scheme for six months from 1 December 2020 to 31 May 2021.

JUSTIFICATION

Overall situation

3. Since early 2020, COVID-19 has been inflicting casualties and economic repercussions in many parts of the world on an unprecedented scale. As at 15 September 2020, there are over 29 million COVID-19 cases involving over 923 000 deaths spanning a total of 218 countries, territories and areas. In response to the epidemic, governments all over the world have adopted social distancing measures, travel restrictions and other restrictive measures such as closure of non-essential businesses. While necessary for protecting public health, these measures had once led to sharp deceleration or even shuttering of economic activities worldwide. In late June, the International Monetary Fund further revised its global economic growth forecast for 2020 downwards to -4.9%, the worst recession since the Great Depression in the 1930s.

4. As a small and open economy, Hong Kong is not immune. Real GDP contracted sharply by 9.0% year-on-year in the second quarter, further to the record plunge of 9.1% in the first quarter. Domestic demand took a big hit, with private consumption expenditure recording the steepest ever decline of 14.2% and overall investment tumbling further by 21.4%. The labour market was under immense pressure, with the seasonally adjusted unemployment rate surging to a 15-year high of 6.2% in the second quarter, before improving slightly to 6.1% in May – July 2020. With the resurgence of local infections in July and the resultant tightening of social distancing measures further disrupting private consumption and activities requiring people contact, economic indicators remained weak in the past few months. Real GDP growth for 2020 as a whole is forecast at -6% to -8%.

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The epidemic: an evolving challenge

5. As a result of concerted efforts of our community, Hong Kong's epidemic situation was largely under control from mid-April to late June, with most confirmed cases being imported ones. During this period, the Government gradually relaxed the social distancing measures under the "suppress and lift" strategy. Unfortunately, there was a rapid resurgence of COVID-19 with daily confirmed cases exceeding 100 on 12 consecutive days from 22 July to 2 August 2020, with a record high of 149 cases on 30 July 2020. In response, the Steering Committee cum Command Centre chaired by the Chief Executive stepped up various measures to suppress this new wave of COVID-19¹. Some of these measures are now being relaxed in a gradual and orderly manner in the wake of the recent downward trend in the number of confirmed cases.

6. The prolonged epidemic and introduction of more stringent social distancing and boundary control measures have brought many commercial and daily activities in Hong Kong effectively to a halt. In other parts of the world, the epidemic continues to rage, causing greater uncertainties for businesses and people in Hong Kong. There are strong calls for additional relief measures to help them tide over this difficult time.

Striking a difficult balance

7. Until and unless there are effective treatment and vaccine, we have to accept the co-existence between mankind and COVID-19 as the "new normal". We must maintain and enhance our capability by providing and operating quarantine and testing facilities to suppress the intermittent emergence of infection cases and protect public health. At the same time, we have to revive the vitality of our economy and safeguard the livelihood of our people by allowing (and also disallowing, with suitable relief to the most hard-hit parties) businesses and individuals to return to their normal way of life as far as practicable.

8. So far, we have committed about \$290 billion, equivalent to about 10% of Hong Kong's GDP, through the setting up of AEF, the 2020-21 Budget and a further injection into AEF to enhance our anti-epidemic capability and provide relief to affected sectors and individuals. While such significant financial commitments are fully justified and incurred for a good cause, we must be mindful

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¹ For details, please see the paper entitled "Update on the Government's Overall Efforts and Relevant Measures to Combat COVID-19" issued to House Committee for discussion on 28 August 2020 (<https://www.legco.gov.hk/yr19-20/english/hc/papers/hc20200828cb2-1452-1-e.pdf>).

of the burden on the public coffer. Years of economic development and fiscal prudence have enabled Hong Kong to accumulate a healthy reserve (around \$1,100 billion at the beginning of 2020-21 financial year). As a result of sizeable spending on relief measures (including those set out in this paper) and estimated reduced revenue during the economic downturn, we forecast that the level of fiscal reserves will be reduced to some \$800 billion by the end of the financial year, equivalent to around 12-13 months' government spending assuming no new services and additional one-off relief measures. The deficit of the Government's budget is expected to reach an all-time-high at over \$300 billion in the 2020-21 financial year. Given the current economic downturn and uncertainties surrounding COVID-19, it is crucial that we exercise fiscal prudence to preserve our financial capability in meeting known and unexpected needs. A healthy level of fiscal reserves is also fundamental to maintaining Hong Kong's monetary stability.

Additional measures

(A) Measures to be funded by AEF

9. Having regard to the above considerations, in deploying AEF funding and developing further measures, we propose to accord priority to initiatives which enhance Hong Kong's anti-epidemic capability. These include, among others, the construction and operation² of new facilities which are urgently needed for protecting the lives of our people against COVID-19, and necessary for enabling eventual full resumption of the normal commercial and daily activities. In providing additional relief, we propose to adopt a more focused approach, targeting individuals and businesses directly affected by the Government's anti-epidemic and social distancing measures as well as those hard hit by the epidemic and pitching the subsidies at a more affordable level. The specific measures to be funded by AEF are set out below –

(I) *Enhancing anti-epidemic capability*

- (a) Quarantine centres for residents of residential care homes for the elderly and residential care homes for persons with disabilities – To meet the costs of setting up three quarantine centres at Hong Kong PHAB Association Jockey Club PHAB Camp, Cheung Muk Tau Holiday Centre for the Elderly and AsiaWorld-Expo from April 2020 to July 2020 respectively up to end of March 2021 to provide a total of 740 beds for elderly and disabled residents who become close

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² As these facilities are required to be up and running to meet unforeseen and urgent needs, their operating costs are normally not provided for in the approved provisions of the relevant departments for the current (i.e. 2020-21) financial year. Under such circumstances, such initial operating costs should be funded from the AEF. However, if such facilities will still be required in the 2021-22 financial year and beyond, their operating costs will be included in the draft Estimates and be subject to the approval of the Legislative Council in the context of the Appropriation Bill 2021.

- Encl. A1 contacts arising from the COVID-19 outbreak at residential care homes for the elderly and residential care homes for persons with disabilities and arrange personal care, nursing and health services during their quarantine period. Details are set out at Enclosure A1;
- (b) Quarantine facilities – To enhance the capacity of quarantine facilities to accommodate close contacts of confirmed COVID-19 cases and operate new quarantine centres under construction in Penny’s Bay. In view of the uncertainty of the development of COVID-19, hotels will be engaged as designated facilities before the completion of additional quarantine units in Penny’s Bay. Details are set out at Enclosure A2;
- Encl. A2
- (c) Subsidy scheme for the promotion of contactless payment in public markets – To provide a one-off subsidy to tenants of public markets to promote contactless payment in market stalls as an anti-epidemic measure to safeguard public health in the “new normal”. Details are set out at Enclosure A3;
- Encl. A3
- (II) *Providing relief to businesses and individuals hard hit by the epidemic and directly affected by the Government’s anti-epidemic and social distancing measures*
- (d) Catering Business Subsidy Scheme – To provide further financial relief to catering outlets that sell or supply food for consumption on their premises, which have been directly affected by the anti-epidemic and social distancing measures imposed by the Government. Details are set out at Enclosure A4;
- Encl. A4
- (e) Tourism Industry Support Scheme – To provide further financial assistance to the travel industry, including travel agents, their employees and freelance accredited practitioners whose main occupations are tourist guides or tour escorts, as well as tour service coach drivers. Details are set out at Enclosure A5;
- Encl. A5
- (f) Subsidy Scheme for Beauty Parlours, Massage Establishments and Party Rooms (Second Round) – To provide further subsidy to operators of beauty parlours, massage establishments and party rooms whose business has been directly affected by the anti-epidemic and social distancing measures imposed by the Government. Details are set out at Enclosure A6;
- Encl. A6
- (g) Subsidy Scheme for the Transport and Aviation Sector – To provide further financial support to specific transport trades and the aviation sector in view of the severe impact of COVID-19 on their business. Details are set out at Enclosure A7;
- Encl. A7

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- Encl. A8 (h) One-off Relief Grant to Providers of Catering Services for Schools and Post-Secondary Education Institutions and Providers of Interest Classes and School Bus Services for Schools – To provide further financial relief to these service providers as their operation and income are severely affected because of class suspension and cessation of on-campus activities. Details are set out at Enclosure A8;
- Encl. A9 (i) Support for Child Care Centres – To provide further financial relief to aided and non-aided child care centres in view of the prolonged suspension of service and the resultant financial hardship inflicted on them. Details are set out at Enclosure A9;
- Encl. A10 (j) Fitness Centre Subsidy Scheme – To provide financial relief to operators of fitness centres whose business has been directly affected by the anti-epidemic and social distancing measures imposed by the Government. Details are set out at Enclosure A10;
- Encl. A11 (k) One-off Grant to Kindergartens (KGs) and Private Schools – To provide further financial relief to KGs and private schools as their operation and income are affected because of class suspension and cessation of on-campus activities. Details are set out at Enclosure A11;
- Encl. A12 (l) One-off Grant to Private Schools Offering Non-formal Curriculum (generally referred to as “Tutorial Schools”) – To provide further financial relief to tutorial schools as their operation and income are severely affected because of class suspension and cessation of on-campus activities. Details are set out at Enclosure A12;
- Encl. A13 (m) One-off Grant to Registered Sports Coaches – To provide a further one-off grant to registered coaches under the “National Sports Associations” and Sports Organisations³ whose coaching services have ceased or have been very significantly affected owing to closure of public sports venues and social distancing measures. Details are set out at Enclosure A13;
- Encl. A14 (n) Club-house Subsidy Scheme – To provide further financial relief to holders of Certificate of Compliance issued under the Clubs (Safety of Premises) Ordinance (Cap. 376), as their business has been directly affected by the anti-epidemic and social distancing measures imposed by the Government. Details are set out at Enclosure A14;

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³ Refers to sports organisations that are receiving subvention (project base) from the Leisure and Cultural Services Department's Sports Subvention Scheme.

- Encl. A15 (o) Sports Premises Subsidy Scheme – To provide financial relief to the operators of sports premises whose business has been directly affected by the anti-epidemic and social distancing measures imposed by the Government. Details are set out at Enclosure A15;
- Encl. A16 (p) Scheme on Relief Grants for Interest Class Instructors Hired by Subvented Non-governmental Welfare Organisations – To provide additional relief grants for eligible interest class instructors who have lost their income as a result of the continued suspension of services under the persistent epidemic situation and for new eligible applicants. Details are set out at Enclosure A16;
- Encl. A17 (q) Arts and Culture Sector Subsidy Scheme - Subsidy to individual arts practitioners and freelancers – To provide further support for individual arts practitioners and freelancers whose living has been seriously affected as a result of the closure of performing venues owing to the new wave of outbreak of COVID-19. Details are set out at Enclosure A17;
- Encl. A18 (r) Places of Public Entertainment Licence Holder Subsidy Scheme – To provide further financial relief to places of public entertainment licence holders whose business has been directly affected by the anti-epidemic and social distancing measures imposed by the Government. Details are set out at Enclosure A18;
- Encl. A19 (s) Amusement Game Centres Subsidy Scheme – To provide further financial relief to amusement game centre operators whose business has been directly affected by the anti-epidemic and social distancing measures imposed by the Government. Details are set out at Enclosure A19;
- Encl. A20 (t) Cinemas Subsidy Scheme – To provide one-off subsidy to existing licensed cinemas with commercial operation in July 2020 as their business has been directly affected by the anti-epidemic and social distancing measures. Details are set out at Enclosure A20;
- Encl. A21 (u) Provision of subsidy to companies in the performing industry which organise pop concerts – To provide financial assistance to companies in the performing industry which organise pop concerts and have been hard-hit by closure of performance venues and social distancing measures imposed by the Government. Details are set out at Enclosure A21;
- Encl. A22 (v) Arts and Culture Sector Subsidy Scheme – Rental support for tenants of Arts Spaces and Jockey Club Creative Arts Centre – To provide another round of rental waivers to tenants of the Jockey Club Creative Arts Centre and arts spaces run by the Hong Kong Arts Development Council. Details are set out at Enclosure A22;

- Encl. A23 (w) Sports and Recreational Sites Subsidy Scheme – To provide further financial relief to operators of sports and recreational facilities on sites granted by the Government whose business has been directly affected by the anti-epidemic and social distancing measures imposed by the Government. Details are set out at Enclosure A23;
- Encl. A24 (x) Mahjong/Tin Kau Licence Holder Subsidy Scheme – To provide further financial relief to mahjong/tin kau licence holders whose business has been directly affected by the anti-epidemic and social distancing measures imposed by the Government. Details are set out at Enclosure A24;
- Encl. A25 (y) Places of Amusement Licence Holders Subsidy Scheme – To provide further financial relief to places of amusement, viz. billiard establishments, public bowling-alleys and public skating rinks, licensed under the Places of Amusement Regulation (Cap. 132BA). Their business has been directly affected by the anti-epidemic measures imposed by the Government. Details are set out at Enclosure A25; and
- Encl. A26 (z) Further Subsidy to Commercial Bathhouses – To provide further financial relief to operators of commercial bathhouses whose business has been directly affected by the anti-epidemic and social distancing measures imposed by the Government. Details are set out at Enclosure A26.

We propose to make a further injection of \$5.4 billion for the above measures.

(B) Measures to be funded by supplementary provision

10. In view of the intermittent resurgence of COVID-19 and its consequential impact on the programmes under various policy areas, some departments will need to seek supplementary provision for 2020-21 to cope with additional demand for their programmes. These funding requirements are set out in paragraphs 11 to 18 below.

/Procurement

Procurement and administration of COVID-19 vaccines

11. As of 15 September 2020, there are 35 candidate vaccines⁴ for protecting against COVID-19 undergoing clinical trials for safety and efficacy evaluation. While nine⁵ of them have entered phase 3 clinical trial, no vaccine has yet obtained regulatory approval for human application. Given that global competition will be extremely keen once an efficacious and safe vaccine emerges, Hong Kong needs to take early action to reserve/procure potential vaccines for our population in a timely manner.

12. On the advice of the Joint Scientific Committees⁶ under DH and relevant expert groups, the Government will procure vaccine to cater for the entire Hong Kong population by adopting a two-pronged strategy. First, we will join the COVAX Facility, which is co-led by the Vaccine Alliance (Gavi), the Coalition for Epidemic Preparedness Innovations and the World Health Organization, for procuring vaccines for a proportion of Hong Kong's population. At the same time, with regard to scientific evidence and clinical data and in consultation with experts, we will pursue additional supplies through Advance Purchase Agreements with individual vaccine developers. Our goal is to procure vaccines from at least two different developers/manufacturers, having regard to the urgent need to put a stop to this pandemic and that not every candidate vaccine that we reserve at this stage will emerge as viable and be brought to the market.

13. Our current estimate is that \$8,441.3 million is required for the procurement and administration of vaccines against COVID-19, which will be funded under Head 37 Department of Health. Details are set out at Enclosure B.

Encl. B

Additional subvention to HA for combating the winter surge or the next wave of epidemic

14. HA has been utilising the \$4.7 billion allocation from the AEF to strengthen the capability of public hospitals and ensure sufficient support and protection for its frontline healthcare staff in tackling the COVID-19 epidemic. The additional resources have been deployed on various fronts, such as personnel-related expenditure and procurement of additional personal protective equipment for frontline staff, provision of Special Rental Allowance for staff with temporary accommodation needs, enhancement of laboratory testing support, purchasing of drugs and medical equipment, as well as additional hospital supplies.

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⁴ According to the draft landscape of COVID-19 candidate vaccines promulgated by the World Health Organization.

⁵ Including one that has not started recruitment for Phase 3 clinical trial.

⁶ The Joint Scientific Committee on Emerging and Zoonotic Diseases and the Scientific Committee on Vaccine Preventable Diseases.

15. The upsurge of cases in the third wave of epidemic since early July 2020 has put enormous pressure on our public hospital system. In response, HA has adopted a number of measures to enhance service capacity, including commencement of Community Isolation Facility in Lei Yue Mun Park and Holiday Village, and Community Treatment Facility (CTF) in Hall 1 of AsiaWorld-Expo. With the measures and hardware facilities in place, HA was able to admit confirmed patients in a timely manner.

16. To enhance its ability to handle further surge in cases anticipated in the next wave of epidemic which may coincide with the usual winter influenza season, HA needs to prepare and reserve additional isolation and treatment facilities to ensure timely admission and treatment for patients. We propose to provide an additional subvention of \$3,044 million to HA (\$2,019 million in 2020-21 and \$1,025 million in 2021-22) to strengthen its service capacity through the establishment and/or operation of CTF and a temporary hospital. The resources provided would also allow HA to sustain its existing anti-epidemic efforts and support for frontline healthcare staff. Details are set out at Enclosure C for information. Accordingly, we seek a supplementary provision of \$2,019 million under Head 140 Government Secretariat: Food and Health Bureau (Health Branch) for 2020-21. The funding requirements of \$1,025 million in 2021-22 will be sought through the draft Estimates in the context of the Appropriation Bill 2021.

Encl. C

Special Support Scheme for HA's chronic disease patients living in the Guangdong Province to sustain their medical consultation under COVID-19

17. In accordance with the Compulsory Quarantine of Certain Persons Arriving at Hong Kong Regulation (Cap. 599C) and the compulsory quarantine measure imposed in Guangdong Province, all persons who travel between Guangdong Province and Hong Kong are subject to compulsory quarantine for 14 days on each side. As a result, some HA's chronic disease patients residing in Guangdong Province who receive medical care through HA are unable to return to Hong Kong to attend scheduled medical consultations. To ensure that the medical conditions of these patients can be effectively monitored and timely intervened, we propose to provide \$103.8 million to HA through the creation of a non-recurrent commitment under Head 140 Government Secretariat: Food and Health Bureau (Health Branch) to launch the Special Support Scheme, which will provide subsidised consultation sessions at HKUSZH for such HA patients. Details are set out at Enclosure D.

Encl. D

/Short-term

Short-term food assistance

18. Launched in 2009, the Short-term Food Assistance Service Projects (STFASPs) have been an effective means in supplementing other poverty alleviation measures to support low-income households and the underprivileged to tide over their financial difficulties. Owing to the high unemployment rate under the impact of the COVID-19 epidemic, there was an unforeseen upsurge in demand for short-term food assistance by 70% from January 2020 to June 2020. We project that the existing non-recurrent commitment for STFASPs will be depleted by February 2021, well before the existing service contracts with non-governmental organisations (NGOs) operating STFASPs expiring in July 2021. There is a dire need to increase the non-recurrent commitment under Head 170 Social Welfare Department by \$127 million from \$1,132 million to \$1,259 million to cover the shortfall to sustain the service from March 2021 to July 2021. In order to maintain uninterrupted service after July 2021, it is also necessary to regularise the service from August 2021 onwards and change the funding mode to Lump Sum Grant Subvention with enhancements in terms of increased professional manpower for the service operators and re-demarcation of the service boundary for individual operators. The resources required for the regularisation of the service will be sought through the draft Estimates in the context of the Appropriation Bill 2021.

(C) Measures funded by existing resources

19. Bureaux will also make use of their existing resources to implement the following measures –

(a) *Special Grant on Manpower Support* – To provide one-off grant to NGOs/operators running subsidised residential care services and subsidised home-based services for hiring temporary or relief workers or paying overtime work subsidy to their staff in order to maintain service delivery in case some of the existing staff cannot discharge duty owing to COVID-19 infection or quarantine. Details are set out at Enclosure E.

Encl. E

(b) *Ex-gratia payment to part-time instructors/staff/personnel affected by cancellation of sport & recreation and culture programmes organised by the Leisure and Cultural Services Department (LCSD)* – To provide ex-gratia payment to the part-time instructors/staff/personnel who have already been engaged by LCSD for the planned recreation and sport as well as cultural programmes and were cancelled subsequently owing to the epidemic. Details are set out at Enclosure F.

Encl. F

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- (c) *Extension of the Special Scheme of Assistance to the Unemployed under the CSSA Scheme* – To extend the Special Scheme of Assistance to the Unemployed under the CSSA Scheme for six months from 1 December 2020 to 31 May 2021. Same as the previous arrangement, the CSSA asset limits applicable to able-bodied applicants/recipients will be increased or relaxed by 100% during the period. This entails an estimated expenditure of \$724 million, which will be met by the approved commitment under Head 170 Social Welfare Department Subhead 700 General non-recurrent Item 809. No additional provision is required. Details of this initiative are at Enclosure G.

Encl. G

(D) Rental concessions, waivers of fees and charges and enhanced rates concession

20. To sustain our support for businesses, we will extend the existing rental and fee concessions for eligible tenants of government premises, and short-term tenancies and waivers administered by the Lands Department until 31 March 2021. We will also extend the existing waivers/concessions of 28 groups of government fees and charges, provide waiver of seven new groups of government fees and charges, and extend the fee review moratorium to benefit a wide range of sectors, support businesses and relieve individuals' financial burden. They will involve a total revenue forgone of about \$3.5 billion on the part of the Government. Details of the rental and fee concessions/waivers are set out at Enclosure H for information.

Encl. H

21. The Government will also provide enhanced rates concession to non-domestic tenements for the third and fourth quarters of 2020-21 (i.e. 1 October 2020 to 31 March 2021). The exemption ceiling for each non-domestic tenement chargeable to rates in the two quarters concerned will be increased from \$1,500 as announced in the 2020-21 Budget to \$5,000 per quarter. Around 258 000 non-domestic tenements will benefit from the enhanced rates concession, which will lead to an additional revenue forgone of about \$1.2 billion.

(E) Relief measures funded by public bodies

22. To echo Government's initiative to provide rental and fee concessions, the Government has invited HKHA, Hong Kong Housing Society (HKHS), the Hong Kong Science and Technology Parks Corporation (HKSTPC) and the Hong Kong Cyberport Management Company Limited (Cyberport) to provide, out of their own pockets, rental concessions for their eligible non-domestic tenants for six months from October 2020 amounting to about \$981 million in total.

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In line with Government's measures, HKHA and HKHS will seek approval from relevant Committee/authority to extend their existing 75% rent concession for eligible non-domestic tenants for another six months from October 2020. The Construction Industry Council (CIC) will extend its waiver of registration and renewal fees for registered workers for a further 12 months to support the construction industry, involving about \$9 million in total.

(F) Enhancement of the Special 100% Guarantee Product under the SME Financing Guarantee Scheme (SFGS)

23. The recent third wave of the COVID-19 has given rise to immense pressure on the operating environment of small and medium enterprises (SMEs). Some SMEs which have already taken out loans under the SFGS's Special 100% Guarantee Product (100% Guarantee Product) may face liquidity problem again owing to the delayed recovery of business, which may in turn lead to closures and layoffs.

24. In view of the above, and in order to provide SMEs with additional relief and support in this difficult time, we will introduce the following enhancements to the 100% Guarantee Product: (i) increasing the maximum loan amount for each applicant from the total amount of employee wages and rents for six months, to that for 12 months, or \$5 million (originally \$4 million), whichever is lower; and (ii) increasing the maximum repayment period from three years to five years. In line with the existing arrangement, borrowers may elect for an optional principal moratorium of up to 12 months. Other terms of the 100% Guarantee Product will remain unchanged. The above enhancements will not affect the financial commitment for the amount of guarantee loans under the SFGS. The Government's total commitment for guaranteeing loans under the 80% Guarantee Product, 90% Guarantee Product and the 100% Guarantee Product will remain within the overall approved commitment of \$183 billion.

FINANCIAL IMPLICATIONS

25. We propose to inject a total of \$5.4 billion into AEF to implement the following measures –

/Descriptions

Descriptions	Estimated Expenditure (\$ million)
(I) Measures to enhance anti-epidemic capability	
(a) Quarantine centres for residents of residential care homes for the elderly and residential care homes for persons with disabilities (Encl. A1)	730
(b) Quarantine facilities (Encl. A2)	610
(c) Subsidy scheme for the promotion of contactless payment in public markets (Encl. A3)	68
<i>Subtotal for Measures to enhance anti-epidemic capability (I)</i>	<i>1,408</i>
(II) Measures to provide relief to businesses and individuals hard hit by the epidemic and directly affected by the Government's anti-epidemic and social distancing measures	
(a) Catering Business Subsidy Scheme (Encl. A4)	1,672
(b) Tourism Industry Support Scheme (Encl. A5)	397
(c) Subsidy Scheme for Beauty Parlours, Massage Establishments and Party Rooms (Second Round) (Encl. A6)	350
(d) Subsidy Scheme for the Transport and Aviation Sector (Encl. A7)	250
(e) One-off Relief Grant to Providers of Catering Services for Schools and Post-Secondary Education Institutions and Providers of Interest Classes and School Bus Services for Schools (Encl. A8)	249

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Descriptions	Estimated Expenditure (\$ million)
(f) Support for Child Care Centres (Encl. A9)	130
(g) Fitness Centre Subsidy Scheme (Encl. A10)	86
(h) One-off Grant to KGs and Private Schools (Encl. A11)	68
(i) One-off Grant to Private Schools Offering Non-formal Curriculum (generally referred to as “Tutorial Schools”) (Encl. A12)	60
(j) One-off Grant to Registered Sports Coaches (Encl. A13)	45
(k) Club-house Subsidy Scheme (Encl. A14)	40
(l) Sports Premises Subsidy Scheme (Encl. A15)	33
(m) Scheme on Relief Grants for Interest Class Instructors Hired by Subvented Non-governmental Welfare Organisations (Encl. A16)	30
(n) Arts and Culture Sector Subsidy Scheme - Subsidy to individual arts practitioners and freelancers (Encl. A17)	23
(o) Places of Public Entertainment Licence Holder Subsidy Scheme (Encl. A18)	13
(p) Amusement Game Centres Subsidy Scheme (Encl. A19)	12
(q) Cinemas Subsidy Scheme (Encl. A20)	11
(r) Provision of subsidy to companies in the performing industry which organise pop concerts (Encl. A21)	8
(s) Arts and Culture Sector Subsidy Scheme - Rental support for tenants of Arts Spaces and Jockey Club Creative Arts Centre (Encl. A22)	7

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Descriptions	Estimated Expenditure (\$ million)
(t) Sports and Recreational Sites Subsidy Scheme (Encl. A23)	4
(u) Mahjong/Tin Kau Licence Holder Subsidy Scheme (Encl. A24)	3
(v) Places of Amusement Licence Holders Subsidy Scheme (Encl. A25)	3
(w) Further Subsidy to Commercial Bathhouses (Encl. A26)	3
<i>Subtotal for Measures to provide relief to hard-hit businesses and individuals (II)</i>	<i>3,497</i>
<i>Sub-total of (I) + (II)</i>	<i>4,905</i>
Roughly 10% contingency (for meeting administrative costs and unforeseen requirements in all the items above)	491
Total	5,396
Say	5,400

26. Apart from the above, we propose –

- (a) the creation of a new commitment of \$8,441.3 million for DH to procure and administer vaccines against COVID-19;
- (b) a supplementary provision of \$2,019 million in 2020-21 for FHB(H) to provide additional subvention to HA to combat the winter surge or the next wave of epidemic. An additional provision of \$1,025 million for the same purpose will be sought through the 2021-22 draft Estimates;
- (c) the creation of a new commitment of \$103.8 million for FHB(H) to engage HA to operate the Special Support Scheme; and
- (d) an increase in commitment by \$127 million for Social Welfare Department (SWD) to meet the shortfall of STFASPs from March to July 2021.

27. The measures “Special Grant on Manpower Support” (Enclosure E) involving \$79 million and “Ex-gratia payment to part-time instructors/staff/personnel affected by cancellation of sport & recreation and culture programmes organised by LCS D (Enclosure F) involving \$64 million will be absorbed by relevant bureaux’s existing resources. We will also extend the Special Scheme of Assistance to the Unemployed under (SWD) for six months (Enclosure G). The total expenditure for the proposed extension of the time-limited special arrangement is estimated to be \$724 million, which will be absorbed within the approved commitment of the scheme.

28. For Members’ information, we will extend existing rental and fee concessions/waivers and introduce new fee waivers to ease cash flow and provide financial relief to various sectors (Enclosure H), involving a total revenue forgone of about \$3.5 billion by the Government. The enhanced rates concession for non-domestic tenements in the third and fourth quarters of 2020-21 will involve an additional revenue forgone of about \$1.2 billion. Subject to the approval from the relevant governing body, the rental concessions to be provided by HKHA, HKHS, HKSTPC and Cyberport for their eligible non-domestic tenants and the fee waivers by the CIC to registered workers will amount to a total of \$990 million in value.

29. The total value of the full package of measures discussed above is \$23.673 billion.

PUBLIC CONSULTATION

30. People from all walks of life have been affected by COVID-19. When drawing up the proposed measures, concerned bureaux have taken into account the requests raised by members of the public, respective stakeholders and members of Legislative Council (LegCo) (including at the House Committee meeting on 28 August 2020). While recognising the need of maintaining fiscal prudence, the Government has strived to balance the different requests received and the objective of benefiting as many affected individuals and corporations as practicable. We expect that the public will generally welcome the measures even though there will continue to be concerns about the adequacy of individual measures. Bureaux and departments will launch the measures as early as practicable.

/BACKGROUND

BACKGROUND

31. On 21 February 2020, the Finance Committee (FC) approved a commitment of \$30 billion for injection into the AEF to enhance our capability in combating the epidemic, and to provide relief to businesses and members of the public hard hit by the present epidemic or affected by the anti-epidemic measures. On 18 April 2020, FC approved a further injection of \$120.5 billion into the AEF.

32. Of the \$150.5 billion approved by FC, the AEF Steering Committee (SC) chaired by the Chief Secretary for Administration has approved 73 measures with a total commitment of around \$145.6 billion as at end August 2020. These include 57 measures mentioned in the relevant FC paper and 16 new measures which were approved by the AEF SC after FC's funding approval⁷, having regard to the ambit of the AEF. Among the 73 measures, 16 have been completed and the rest are in progress. The most notable example is the recent launch of the second tranche of the Employment Support Scheme to provide subsidies for paying employee wages, irrespective of industries, from September 2020 to November 2020⁸. These on-going measures will continue to provide relief or financial buffer to businesses and individuals. We last submitted a report to LegCo on 15 July 2020 on implementation progress of the AEF measures.

Chief Secretary for Administration's Office
Financial Secretary's Office
Commerce and Economic Development Bureau
Development Bureau
Education Bureau
Financial Services and the Treasury Bureau
Food and Health Bureau
Home Affairs Bureau
Innovation and Technology Bureau
Labour and Welfare Bureau
Transport and Housing Bureau
September 2020

⁷ The Government has been making use of the AEF contingency provision to launch new measures. Examples include the Anti-epidemic Subsidy Scheme for the Laundry Trade and Subsidy Scheme for Employment Agencies. Some of the measures are still ongoing. We will continue to make the best use of the balance of the contingency to respond promptly to legitimate needs and meet unforeseen requirements during the epidemic, having regard to the ambit of the AEF.

⁸ Other examples include the second tranche wage subsidies under Catering Business (Social Distancing) Subsidy Scheme which will cover employees' wages from August to October 2020; wage subsidies to eligible green minibus and local ferry operators for employees aged 65 or above covering June to November 2020; and one-off wage subsidies to employers of casual employees in the construction sector covering a six-month period from August 2020 to January 2021.

**Quarantine Centres for Residents of Residential Care Homes for the Elderly
and Residential Care Homes for Persons with Disabilities**

Policy Bureau : Labour and Welfare Bureau

Implementation : Social Welfare Department (SWD)

Objective

In light of the development of the Coronavirus Disease 2019 (COVID-19) epidemic in Hong Kong, we need to set up quarantine centres (QCs) for elderly and disabled residents who become close contacts arising from the COVID-19 outbreak at residential care homes for the elderly (RCHEs) and residential care homes for persons with disabilities (RCHDs). It is our objective to set up and operate three QCs and arrange personal care, nursing and health service for the elderly and disabled persons under the quarantine period.

Brief description

2. According to the anti-epidemic plan of the Government, the QCs at Hong Kong PHAB Association Jockey Club PHAB Camp, Cheung Muk Tau Holiday Centre for the Elderly and AsiaWorld Expo respectively have been set up since April 2020. The SWD is responsible for engaging the venue owners in renting the accommodation facilities and management of support services, and contractors were engaged to form Care Support Teams (Care Teams). Each QC has its designated Care Team(s), comprising registered/enrolled nurses, health workers and personal care workers to provide round-the-clock care services for elderly and disabled residents including meal feeding, personal hygiene, clothes and diapers changing, medication arrangements, etc. The Care Teams are also responsible for monitoring the health conditions of the residents during the quarantine period and arranging timely referral to Hospital Authority if necessary.

Financial implications

3. The total estimated cost required for setting up and operating the three QCs from April 2020 till end March 2021 is about **\$730 million**^{Note}. The cost has included the rental charges, set-up cost, procurement of furniture and medical equipment, catering service for residents, cleaning and laundry service, waste

/disposal

^{Note} The amount comprises \$22 million for the set-up cost and \$708 million for the operating cost of the QCs.

disposal services (including normal and medical waste), facilities management, security service, logistics arrangements, service fees for five Care Teams, and consumables for the residents, etc.

Urgency

4. With the outbreak of COVID-19 in RCHEs/RCHDs, SWD needed to assist in identifying facilities and activating the three QCs within a very short period of time between April and July 2020. In view of the urgency, SWD has hitherto deployed internal resources for other planned welfare purposes to set up and operate the three QCs.

Implementation

5. The three QCs have been in operation since April 2020 and July 2020 respectively. In view of continuous need of the QCs and their operating costs are not provided for in SWD's approved provision, there is a dire need to seek financial support from the Fund to ensure sufficient funding to maintain the quarantine service for residents of RCHEs and RCHDs up to end March 2021.

Quarantine Facilities

Policy Bureau : Food and Health Bureau

Implementation : Department of Health (DH)

Objective

To enhance the capacity of quarantine facilities to accommodate close contacts of confirmed Coronavirus Disease 2019 (COVID-19) cases.

Brief description

2. Under existing practice, close contacts of confirmed cases are required to undergo compulsory quarantine for 14 days at designated quarantine centres (QCs).

3. As at 7 September 2020, there were four QCs with a capacity of some 2 600 quarantine units –

QCs	Units	Units in use (No. of persons under quarantine)	Units ready for use [#]
Chun Yeung Estate (Blocks 1 to 3)	1 578	77 (97)	1 385
Junior Police Call Permanent Activity Centre	205	52 (77)	105
Sai Kung Outdoor Recreation Centre	99	71 (83)	16
Penny's Bay (PB) Phase 1	800	228 (249)	452
<i>Total =</i>	2 682	428 (506)	1 958

[#] some quarantine units are under disinfection and maintenance.

About 380 units in Lei Yue Mun Park and Holiday Village, which are currently under the management of Hospital Authority as a community isolation facility to accommodate patients infected with COVID-19, will be handed back to DH as a

/QC

QC in end September. An additional 700 quarantine units at another Penny's Bay site (Phase 2) originally reserved for future tourism development are also under construction and are expected to be available before the end of September. Moreover, the Government has recently started planning and preparation for building 2 000 additional quarantine units at the same site (i.e. Phase 3 and 4) which will be completed by the end of 2020. In other words, there will be an additional 3 080 units by the end of 2020 (by batches).

4. In view of the rapid development of the COVID-19 outbreak, it is difficult to accurately estimate the demand for quarantine facilities. The Government is closely monitoring the latest development for making corresponding deployment in view of the situation. It is our objective to ensure that adequate quarantine facilities are in place for quarantine of close contacts of confirmed cases. In this connection, we need to seek additional funding for the DH to meet its expenditure in –

- (a) engaging hotels as designated quarantine facilities to accommodate people who are required to serve 14-day compulsory quarantine; and
- (b) supporting the new QC in Penny's Bay from September 2020 to March 2021.

Financial implications

5. The total amount of funding required is estimated to be **\$610 million**.

Urgency

6. During the peak of the third wave of COVID-19 pandemic in Hong Kong with a daily confirmed cases exceeding 100 on 12 consecutive days and a record high of 149 on 30 July, the vacancy rate of QCs once dropped to less than 7%. As at 7 September 2020, the number of available quarantine units in the existing four QCs was 1 958. While they could cope with the current needs (the total number of close contacts admitted to the four QCs from 1 to 7 September 2020 was 288 ranging from 10 to 97 daily (involving 10 to 86 units and at a daily average of 35 units)), there is a need to identify suitable quarantine facilities to accommodate close contacts in case there is another surge before the additional quarantine units at Penny's Bay are put into operation.

/Engaging

Engaging hotels as designated quarantine facilities

7. We propose to engage two to three hotels providing a total of around 500 to 1 000 guestrooms for a period of three months to cater for the needs of close contacts (quarantine hotels), before the completion of construction works for additional units in Penny's Bay (by end December). These hotels would only be activated on a need basis and paid as per the hotel used. The quarantine hotels are expected to provide accommodation, catering and other essential services, such as security and enquiries services to the persons under quarantine. DH will monitor and provide necessary support and instructions to hotels. To ensure that the hotels comply with the relevant infection control measures, DH and other departments, e.g. Electrical and Mechanical Services Department and Building Department, will conduct joint inspection to examine and assess the hotel facilities before awarding contracts so as to ensure that the arrangement would not pose a risk to the local community concerned. DH has identified a few hotels who are willing to provide the service, and will go through established procedure to procure the service.

8. With reference to the recent hotels' indicative prices for 14-day stay offered to inbound travellers from high risk places who have tested with a negative result for COVID-19, we propose that **\$150 million**¹ be earmarked within the Fund for this purpose.

Supporting the new QCs in Penny's Bay

9. As mentioned in paragraph 3 above, the total capacity of QC units in Penny's Bay will reach 3 500 by the end of 2020. Inter-departmental support is essential to the smooth operation of QC. For example, Civil Aid Service (CAS) is responsible for daily management and operation of QC while Auxiliary Medical Service (AMS) provides medical support in transfer of confinees. DH will reimburse the pay and allowances and special honorarium to CAS and AMS. Apart from one-off setup cost mainly for furniture and equipment, various service contracts, e.g. security, catering, cleansing and disinfection, laundry, are engaged to provide necessary services to QC.

10. We propose earmarking **\$460 million** from the Fund for the provision of support services to Penny's Bay QC for seven months from September 2020 to March 2021, at about \$61 million² per month, together with one-off furniture and equipment³ at about \$33 million.

/Implementation

¹ The amount is estimated based on room charges (\$73.6 million), meal charges (\$38.6 million) and contingency (\$37.8 million).

² It is the monthly average of the \$460 million earmarked after discounting the one-off furniture and equipment cost of \$33 million.

³ These include beds, bedding items, television, furniture and minor electrical appliances in QC units as well as closed circuit television and information technology systems.

Implementation

11. Upon approval of funding sought, DH can proceed with the relevant procurement procedure for quarantine hotels and will have sufficient funding to continue the provision of support services to the Penny's Bay QC for the remaining period of 2020-21 from September 2020 to March 2021.

Subsidy Scheme for Promotion of Contactless Payment in Public Markets

**Policy Bureau : Food and Health Bureau
Transport and Housing Bureau**

**Implementation : Food and Environmental Hygiene Department
(FEHD)
Hong Kong Housing Authority (HKHA)**

Objective

It is our objective to provide a one-off subsidy to tenants of public markets to promote contactless payment in market stalls as an anti-epidemic measure to safeguard public health in the new normal.

Brief description

2. The fight against the Coronavirus Disease 2019 (COVID-19) has aroused public concern on measures to reduce possible transmission of COVID-19 or other diseases transmitted through physical contacts. Having regard to the very nature of market operation (with close contact among stall operators and patrons in an often congested indoor setting, as well as physical touch of commodities and cash exchange), the use of contactless payment is desirable from the public hygiene perspective and conducive to reducing the transmission risk of COVID-19 in a market setting.

3. To promote contactless payment in public markets, we propose to provide a one-off subsidy to tenants of public markets under the FEHD or HKHA at a flat rate of \$5,000 per stall. This may be used to meet the initial set-up costs as well as service and other fees in relation to the provision of at least one contactless payment means for market patrons.

4. All stall tenants in FEHD/HKHA markets, including wet market stalls and cooked food stalls, will be eligible for the subsidy, provided that –

- (a) the tenant holds a valid tenancy agreement of a stall in a FEHD/HKHA market as at the date of application and when approval is given for disbursement of subsidy;

(b)

- (b) the contactless payment means opted by the tenant for his/her stall is processed through a licensed bank or a stored value facility licensee being regulated by the Hong Kong Monetary Authority, or a debit/credit card scheme; and
- (c) the tenant undertakes in the application not to unreasonably refuse request for contactless payment from patrons during the service contract period. FEHD/HKHA reserves the right to claw back the subsidy disbursed if a tenant is found to be not complying with the undertaking.

5. Disbursement of subsidy will be made to the tenants subject to the following –

- (a) the tenant is required to submit an application and obtain an approval in principle before signing a service contract with a service provider in relation to the provision of at least one contactless payment means; and
- (b) the tenant has to produce a valid service contract of no less than a duration of two years signed by him/her and confirming that necessary installation has been completed to enable contactless payment at his/her stall. FEHD/HKHA will conduct inspection to check and ensure completion of the installation.

6. We estimate that the above subsidy scheme will benefit tenants of about 12 000 stalls in FEHD markets, and some 1 500 stalls in HKHA markets.

Financial implications

7. The total amount of subsidy involved is estimated at about **\$67.5 million**.

/Urgency

Urgency

8. There is an urgency to promote contactless payment in public markets as an anti-epidemic measure. The proposed subsidy seeks to provide a financial incentive for the market tenants to more readily put in place the necessary infrastructure to enable a new payment option that works to better safeguard public health in a market setting.

Implementation

9. Upon funding approval by the Finance Committee, FEHD will invite applications for the subsidy from its market tenants within about two weeks, with the target of disbursing subsidies to eligible tenants within about two weeks from production of the service contract signed by them and confirming that necessary installation has been completed to enable contactless payment at the stalls. HKHA will work out the arrangements with concerned parties for implementation as soon as practicable.

Catering Business Subsidy Scheme

Policy Bureau : Food and Health Bureau
Implementation : Food and Environmental Hygiene Department (FEHD)

Objective

It is our objective to provide further financial relief to catering outlets carrying on a business to sell or supply food for consumption on their premises, the business of which is hard hit by the Coronavirus Disease 2019 (COVID-19) and the tightened social distancing measures imposed by the Government since mid-July 2020 to combat COVID-19 in a public health emergency.

Brief description

2. Over the years, the food business sector has made a significant contribution towards the economic development of Hong Kong. In 2018, the sector generated value added of around \$60 billion, representing about 2.2% of Hong Kong's GDP in the year. In March 2020, the number of persons engaged in the sector was around 222 000, accounting for about 8.0% of the total number of persons engaged in Hong Kong. The sector has been seriously affected by the novel coronavirus epidemic and facing a difficult business environment.

3. With funding approval by Finance Committee in February and April 2020, the FEHD has disbursed subsidies of about \$6 billion as at end-August 2020 to eligible food premises out of the Anti-epidemic Fund, under the Food Licence Holders Subsidy Scheme and the Catering Business (Social Distancing) Subsidy Scheme (CSS)¹. We have since mid-August started to receive applications from eligible catering outlets for the second tranche subsidies² under

/CSS

¹ Some catering outlets eligible for CSS have applied for subsidies under the Employment Support Scheme. They may apply under either of the two schemes, not concurrently in respect of some or all of their staff.

² The unit subsidy rate ranges from \$125,000 to \$1.1 million depending on the licensed area of the food premises.

CSS, primarily in support of payment of employees' salaries for a three-month period from August to October 2020³. Some \$2.2 billion has been earmarked for this purpose and is expected to be disbursed as soon as practicable upon completion of compliance checks.

4. The epidemic situation of COVID-19 in Hong Kong has undergone drastic changes since early July 2020. The Government decided, among other things, to further tighten with effect from 15 July 2020 the social distancing measures applicable to catering businesses providing dine-in services, by way of directions issued by the Secretary for Food and Health under the Prevention and Control of Disease (Requirements and Directions) (Business and Premises) Regulation (Cap.599F). Adjustment to these measures has since been made⁴ with regard to the development of the epidemic.

5. Pursuant to other directions made under Cap. 599F, certain premises were required to close during specified periods from mid July 2020. They include karaoke establishments, nightclubs and bars/pubs, which are concurrently holding a food licence.

6. The catering business selling or supplying food for consumption on their premises is hard hit by the epidemic and the latest rounds of tightened social distancing measures. To provide further financial relief, we propose to offer a one-off subsidy⁵ to –

(a) eligible holders of any of the following premises-based food licences in operation –

(i) general restaurant licence;

(ii) light refreshment restaurant licence;

/(iii)

³ CSS has been enhanced to cover eligible catering outlets not having applied in the first phase, primarily in support of payment of employees' salaries for a three-month period from September to November 2020.

⁴ The social distancing measures in force as at 18 September 2020 include (a) the number of customers at the premises at any one time must not exceed 50% of the normal seating capacity of the premises; (b) tables for use or being used by customers within the premises must have a distance of at least 1.5 metres apart or some form of partition which could serve as effective buffer between one table and another table; (c) no more than four persons are to be seated together at one table; (d) a person must wear a mask at any time, except when consuming food or drink; (e) body temperature screening on a person must be conducted before entry to the premises; and (f) hand sanitisers must be provided at the premises. In addition, dine-in services for catering business is only allowed from 5am to 11:59pm.

⁵ Catering outlets would be given maximum flexibility over the use of the subsidy in support of their business, which may include meeting operating expenses required to enhance their anti-epidemic capability.

(iii) marine restaurant licence; and

(iv) factory canteen licence;

and

(b) cooked food/light refreshment stall tenants in FEHD markets, as well as cooked food stall tenants holding a hawker licence and operating in public housing developments.

7. Each eligible holder of the four types of relevant food licences in operation will be provided with a one-off subsidy according to the licensed area of its premises, as set out in the table below –

Licensed area	Level of subsidy
Not exceeding 100 m ²	\$50,000
>100 m ² – 200 m ²	\$100,000
>200 m ² – 400 m ²	\$150,000
>400 m ² – 700 m ²	\$200,000
>700 m ²	\$250,000

8. Each eligible catering outlet directed to close whole of its licensed premises, including karaoke establishments, nightclubs and bars/pubs, is eligible for a further one-off subsidy of \$25,000.

9. Cooked food/light refreshment stall tenants in FEHD markets, as well as cooked food stall tenants holding a hawker licence and operating in a public housing development, would each be eligible for a one-off subsidy of \$25,000⁶.

10. We estimate that the above measures will benefit about 18 000 catering outlets, including some 17 000 licensed catering outlets and about 1 000 cooked food/light refreshment stall operators.

Financial Implication

11. The total amount of subsidy involved is approximately **\$1,672 million**.

/Urgency

⁶ These operators have been benefitting from rental concessions or licence fee waivers separately provided by the Government or other agency as appropriate.

Urgency

12. There is urgency to provide relief to the catering sector to help them tide over the significant drop in business. Without further support, a lot of operators would be driven out of business and their staff would be laid off.

Implementation

13. Upon funding approval by the Finance Committee, FEHD will invite applications from eligible catering outlets within about two weeks, with the target of disbursing subsidies to eligible applicants within about two weeks from receiving their respective applications.

Tourism Industry Support Scheme

Policy Bureau : Commerce and Economic Development Bureau

Implementation : Tourism Commission

Objective

The recent surge in and intermittent resurgence of Coronavirus Disease 2019 (COVID-19) have grounded cross boundary travel to a halt. We see an urgent need to provide further financial support to travel agents, their employees, and freelance accredited practitioners whose main occupations are tourist guides or tour escorts, as well as drivers of tour service coach and international passenger service coach (thereafter together referred as “tour service coach”), as they have been continuously hard hit by the prolonged outbreak of the epidemic.

Brief description

2. The tourism industry bears the brunt of the negative impact arising from the past social incidents and COVID-19 outbreak. In view of the proliferation and resurgence of the disease around the world, Hong Kong and many other countries and regions have continued to impose control over cross-boundary flow of people, including closure of borders, as well as tightened anti-epidemic measures, rendering both inbound and outbound travel markets essentially in the doldrums.

3. Earlier rounds of the Anti-epidemic Fund have provided subsidies to different practitioners in the travel industry to cope with the challenging economic conditions. The prolonged epidemic and introduction of more stringent social distancing and boundary control measures due to the recent surge in COVID-19 in Hong Kong and around the globe have made early resumption of cross boundary travel an unrealistic proposition, leaving the tourism industry with effectively zero business. With no inbound and outbound travel, the tourism industry has been one of the hardest hit sectors under the epidemic. As a result, travel agents, their staff and freelance accredited practitioners whose main occupations are tourist guides and tour escorts, as well as tour service coach drivers have been facing a very difficult situation. With an early full-fledged recovery impossible, they are urgently in need for another round of financial support to tide them over the very challenging time.

4. In view of the above, we propose the following financial help to the various groups as follows –

- (a) to provide each of the licensed travel agents with cash subsidy, directly proportional to the number of staff members they have, using a subsidy level (i.e. \$5,000) per travel agent staff member as the basis of calculation. For example, travel agent with ten staff members would enjoy a subsidy of \$50,000. Travel agent without any staff will also be getting a one-off subsidy of \$5,000. Some **1 700 agents** are expected to benefit from this scheme. Total commitment is around **\$80 million**;
- (b) to provide each travel agents' staff and freelance accredited practitioners whose main occupations are tourist guides or tour escorts, a one-off subsidy of \$15,000. Some **20 000 persons** are expected to benefit from this scheme. Total commitment is **\$294 million**; and
- (c) to provide each tour service coach driver with a one-off subsidy of \$6,700. About **3 400 drivers** are expected to benefit from this scheme. Total commitment is **\$23 million**.

Financial implications

5. The total funding required is about **\$397 million**.

Urgency

6. As explained above, the tourism sector has been suffering from severe business downswing. Their situation has worsened by the rapid resurgence of the COVID-19, with their business reduced to zero for a prolonged period of time. Early provision of financial relief will help the sector and the relevant practitioners tide over the challenging period.

Implementation

7. Upon verification of information, the first payments can start to be made within a month's time upon the setting up of the initiatives.

**Subsidy Scheme for Beauty Parlours, Massage Establishments
and Party Rooms (Second Round)**

Policy Bureau : Chief Secretary for Administration's Office
**Implementation : Human Resources Planning and Poverty
Co-ordination Unit under the Chief Secretary for
Administration's Office**

Objective

It is our objective to provide financial relief to operators of beauty parlours, massage establishments and party rooms whose businesses have been directly affected and hard hit by social distancing measures imposed by the Government.

Brief description

2. To tackle the outbreak of the new wave of coronavirus disease 2019 cases, the Government implemented the most stringent social distancing measures since the emergence of the epidemic, including ordering beauty parlours, massage establishments and party rooms to suspend business for a second time, in mid-July 2020. To render some support to affected operators whose premises were forced to be closed by government order, it is proposed that a one-off tiered subsidy (at \$15,000, \$30,000 and \$50,000) be provided to each affected premises of beauty parlour or massage establishment, depending on the number of workers in the premises, and subject to a cap of \$1.5 million for each beauty/massage chain. In addition, a one-off subsidy at \$20,000 is proposed to be provided to each affected party room.

3. To expedite the processing time, we will continue to rely on an online system to collect applications for the subsidy. For eligible beauty parlours or massage establishments which have successfully applied under the first round of the Scheme, they will not be required to submit fresh applications. They will only be required to provide a documentary proof as specified under the Scheme to demonstrate their continued eligibility for the subsidy. We will then determine the appropriate level of subsidy that the applicants are eligible based on the number of employees as confirmed in the previous approval records. Businesses which have not applied for the subsidy in the first round, however, will have to submit a new application through the same online application platform. The same arrangement will also be applicable to party rooms.

4. Based on the number of eligible operators which have applied under the first round of the scheme, it is estimated that 11 000 beauty parlours and massage establishments and 500 party rooms may benefit under the second round.

Financial implications

5. The estimated total amount of subsidies involved is around **\$350 million.**

Urgency

6. There is urgency to provide relief to beauty parlours, massage establishments and party rooms, which have been directly affected and hard hit by the related social distancing measures for a considerable period of time.

Implementation

7. The Human Resources Planning and Poverty Co-ordination Unit under the Chief Secretary for Administration's Office will take forward the proposal after funding approval has been secured. We aim at starting disbursement of subsidies by end-October .

Subsidy Scheme for the Transport and Aviation Sector

(A) Transport Sector

Policy Bureau : Transport and Housing Bureau

Implementation : Transport Department and Marine Department

Objective

It is our objective to provide financial support to specific transport trades which are most hard hit by waves of coronavirus disease 2019 (COVID-19) outbreak.

Brief description

2. Under the first and second rounds of Anti-epidemic Fund approved by the Legislative Council Finance Committee on 21 February and 18 April 2020, we have earmarked some \$3.2 billion and \$3.4 billion respectively to provide fuel and one-off subsidy to the transport trades to help them cope with the operating pressure in the prevailing economic environment. Some of the above initiatives are still ongoing.

3. As the tourism sector has continued to suffer from business downswing arising from the prolonged COVID-19 pandemic, and on and off school suspension starting from early February 2020 has drastically deprived the school bus operators of their usual income, more relief measures are considered necessary for the relevant transport operators. With the above considerations in mind, we propose the following new relief measures –

- (a) **Non-franchised buses (NFBs)¹, school private light buses (SPLBs) and hire cars²** – Provide a one-off non-accountable subsidy of \$15,000 per vehicle to the registered owner of each licensed NFB, SPLB and hire car; and
- (b) **Cross-boundary ferries** – Provide a one-off non-accountable subsidy of \$500,000 for operators of each eligible cross-boundary ferry vessel.

/(a)

¹ These refer to public buses operating under Passenger Services Licence, as differentiated from those operating under Franchise.

² “Hire car” refers to private cars issued with hire car permits.

(a) *NFBs, SPLBs and hire cars*

4. NFBs cover a wide range of services, including student services, tour services, hotel services, contract hire services, cross-boundary coach (CBC)³ services, etc. Their business has been seriously affected. In particular, the operation of CBCs has basically been grounded to a halt following the implementation of strict boundary control measures.

5. The business of SPLBs has also been hard hit following the prolonged suspension of schools and extra-curricular activities for students. Local hire cars mostly provide services for business purposes, tour, airport limousine and hotel private limousine services; cross-boundary hire cars serve cross-boundary passengers. The business of both local and cross-boundary hire cars has also dropped significantly as a result of the drastically reduced numbers of cross-boundary and foreign visitors.

6. To cope with the challenges owing to the prevailing environment, we propose providing an additional one-off non-accountable subsidy of \$15,000 to the registered owners of every licensed NFB, SPLB and hire car. Owners of about 7 400 NFBs, 2 200 SPLBs and 1 300 hire cars will benefit from the above measure.

(b) *Cross-boundary ferry services*

7. Cross-boundary ferry services at China Ferry Terminal and Tuen Mun Ferry Terminal have been suspended since 30 January 2020, while that at Hong Kong-Macau Ferry Terminal has been suspended since 4 February 2020. This formed part of the Government's efforts in consolidating cross-boundary passenger flow with a view to containing the spread of COVID-19. The cross-boundary ferry passenger transport has completely come to a halt. While cross-boundary ferry operators have suspended their businesses, they have to continue to maintain their dockyards and back-office support, pay berthing fees for some of their vessels to berth at other locations not owned by them, as well as shoulder staff costs even though their business is stopped during the suspension period. We therefore propose a one-off non-accountable subsidy of \$500,000 per vessel to support the trade. It is estimated that operators of 84 cross-boundary ferry vessels will benefit from the above measure.

/Financial

³ CBCs include long-haul and short-haul CBCs, cross-boundary shuttle buses operating at Lok Ma Chau Boundary Control Point (i.e. the Yellow Bus), as well as cross-boundary shuttle buses operating at Hong Kong-Zhuhai-Macao Bridge Hong Kong Port (i.e. the Gold Bus).

Financial implications

8. The total amount of expenditure involved is approximately **\$205.7 million**.

Urgency

9. The drop in business of transport trades serving the tourism and education sector in particular is significant and prolonged. The ready availability of funding will help them tide over; otherwise large-scale retrenchment of drivers and supporting staff or even winding up of operators will take place.

Implementation

10. Subject to funding availability, the one-off subsidy to registered owners of NFBs, SPLBs and hire cars, as well as cross-boundary ferry operators, can be disbursed within one month upon receipt of the application from the registered owners and operators concerned and completion of the checking. The first payment can be disbursed within one to two months following funding approval.

/(B)

(B) Aviation Sector

Policy Bureau : Transport and Housing Bureau

**Implementation : Civil Aviation Department and Airport Authority
Hong Kong**

Objective

Air traffic has continued to be heavily impacted by the COVID-19 pandemic, resulting in massive suspension of passenger services and severe cash flow problems of players in the aviation industry. To help the aviation industry weather the difficult time, it is proposed to continue the financial support to the aviation industry but at a reduced scale.

Brief description

2. The global aviation industry is facing unprecedented challenges due to the significant drop in passengers arising from COVID-19 pandemic. The Hong Kong International Airport (HKIA) recorded year-on-year decreases in passengers and flight movements of 81.2% and 58.4% in first seven months of 2020.

3. To help the aviation sector mitigate the impact of the COVID-19, the Government has launched two subsidy schemes for aviation industry under the second round of AEF targeting local airlines and aviation support services and cargo facilities operators operating with a franchise, licence or operating permit issued by the Airport Authority Hong Kong (AAHK) at the HKIA respectively. The Government has also deferred the collection of statutory fees for processing applications of Air Operator's Certificate (AOC) and Certificate of Airworthiness (CoA) for six months. On the other hand, AAHK also rendered its support to the airport community in this difficult time. Further to the four rounds of relief measures, AAHK has extended the waiver or reduction of various fees until the end of October 2020. The total amount of various relief measures for the aviation sector is over \$6 billion.

4. Despite the continuous support to the aviation industry on various fronts, it is noted that the sustainability of many aviation-related business is still under a severe challenge due to the emergence of further waves of pandemic worldwide. To provide further support to the sector, we propose to offer the following subsidies –

/(a)

(a) *One-off non-accountable subsidy of \$500,000 per large aircraft and \$100,000 per small aircraft registered by AOC holders in Hong Kong*

5. The average daily air traffic movements for passenger services at the HKIA has dropped significantly by about 90% from end January to end July 2020. While the aircraft may not be operated, there are substantial overhead costs borne by the AOC holders, for example, maintenance costs for aircraft to keep its airworthiness and staffing support etc. Before COVID-19 comes under control and air traffic resumes, cash flow is the most pressing issue for the aviation sector. AOC holders will need liquidity to tide over this pandemic.

6. We propose offering a one-off non-accountable subsidy of \$500,000 per large aircraft⁴ and \$100,000 per small aircraft⁵ registered in Hong Kong by AOC holders with AOC valid as at 1 August 2020 for no less than six months. To be eligible for the subsidy, the aircraft should have a valid CoA as at 1 August 2020. It is estimated that 36 aircraft will benefit from the subsidy with an estimated total amount of subsidy at \$16 million.

(b) *One-off non-accountable subsidy of up to \$1.5 million to aviation support services operators at the HKIA*

7. Apart from airlines and aircraft operators, aviation support services are suffering collateral losses. These operators are also suffering from significant revenue reduction which results in shortage of cash flow for paying their staff and may force them to lay-off of their labour.

8. It is proposed that a one-off non-accountable subsidy will be provided to each of these operators at the HKIA. There are 27 eligible aviation support services operators at the HKIA. There will be two tiers of subsidies for these operators based on their staff size. A subsidy of \$1.5 million will be provided to operators with 100 or more employees, while a subsidy of \$0.5 million will be provided to operators with fewer than 100 employees. The proposed subsidy will help alleviate their cost pressure during this period. The estimated amount of funding required is \$28.5 million.

9. The beneficiaries of the above subsidies do not include the Cathay Pacific Airways Limited and its wholly-owned subsidiaries (together as the Cathay Group). The Government announced in June 2020 an investment in the Cathay

/Group

⁴ The maximum total weight authorised is above 54 500 kg.

⁵ The maximum total weight authorised is at or below 54 500 kg.

Group totalling \$27.3 billion through the Land Fund. The investment, with the primary aim of upholding Hong Kong's status as an international aviation hub while generating a return for the Government, should have helped recapitalise the Group and tie it over this extremely difficult period.

Financial implications

10. The total amount of funding required is estimated at **\$44.5 million**.

Urgency

11. The ready availability of funding will help the operators tide over this prolonged period of extreme difficulty, thus preserving the foundation and critical mass of the aviation industry necessary for recovery of the Hong Kong economy.

Implementation

12. The proposal will be implemented as soon as possible after funding approval. Details as follows –

Subsidy	Implementation timetable
(a) One-off non-accountable subsidy of \$500,000 per large aircraft and \$100,000 per small aircraft registered by AOC holders in Hong Kong	- Civil Aviation Department will approach the AOC holders as soon as possible upon funding approval with a view to disbursing the subsidies in about two weeks' time upon receipt of the applications with valid supporting documents.
(b) One-off non-accountable subsidy of up to \$1.5 million to aviation support services operators at the HKIA	- AAHK will approach eligible companies as soon as possible upon funding approval with a view to disbursing the subsidies in about two weeks' time upon receipt of the applications with valid supporting documents.

One-off Relief Grant to Providers of Catering Services for Schools¹ and Post-secondary Education Institutions² and Providers of Interest Classes and School Bus Services for Schools

Policy Bureau : Education Bureau (EDB)

Implementation : EDB

Objective

This proposal seeks to provide further financial relief for providers of catering services for schools and post-secondary education institutions (PSEIs), and providers of interest classes and school bus services for schools, as their services and income are severely affected during periods of class suspension and cessation of on-campus activities (the affected periods).

Brief description

2. Class suspension and cessation of on-campus activities for schools and PSEIs have dealt a severe blow to the normal business of operators of school or campus-related services such as catering outlets at schools and PSEIs, providers of lunchbox service, school bus services and interest classes for schools. They have no alternatives but to bring their services to a halt in tandem with the suspension of on-campus activities. To relieve their financial burden, we propose to provide one-off grants as set out below –

- (a) Catering outlets (namely, tuck shops, canteens and restaurants) at primary schools, secondary schools and PSEIs (no. of outlets: approximately 750 (primary and secondary schools) and 160 (PSEIs)) –

/(i)

¹ These should be public sector, Direct Subsidy Scheme and private schools providing a formal curriculum.

² Post-secondary Education Institutions include the University Grants Committee-funded universities, the Vocational Training Council and self-financing PSEIs .

- (i) Catering outlets³ at schools and PSEIs are forced to drastically reduce the scale of business or even cease business altogether during periods of class suspension as well as cessation of on-campus teaching activities at schools and PSEIs.
 - (ii) Proposal: a one-off relief grant of \$40,000 to each outlet provided that the outlet has not applied for a relief grant under any other scheme in the third round of the Anti-epidemic Fund (AEF). For the avoidance of doubt, one applying for the subsidy under the Employment Support Scheme is still eligible.
- (b) Lunchbox providers of primary and secondary schools (approximately 900 schools have lunchbox providers) –
- (i) Lunchbox providers⁴ have been forced to come to a standstill during periods of class suspension and cessation of on-campus activities.
 - (ii) Proposal: for each provider, a one-off relief grant of \$5,000 per school the provider is serving.
- (c) School bus drivers, school private light bus drivers and escorts (commonly called “nannies”) (approximately 5 000 school bus drivers, 2 200 school private light bus drivers and 5 000 escorts) –
- (i) School bus drivers, school private light bus drivers and escorts are forced to stop working during periods of class suspension and cessation of on-campus activities. School bus drivers have no driving duties for school buses as no student groups have to travel to campuses during such periods. Escorts required to be provided on board school buses are not needed for any other type of transport service thus have to cease working too.

/(ii)

³ Such outlets in schools and PSEIs (except tuck shops which are not subject to licensing requirements imposed on food establishments) are exempted under law from the requirement to apply for a relevant licence from the Food and Environmental Hygiene Department (FEHD) and are therefore not eligible under the Food Licence Holders Subsidy Scheme and the Catering Business (Social Distancing) Subsidy Scheme implemented by the FEHD in the first and second rounds of the AEF respectively.

⁴ These providers hold a food factory licence and although they have benefitted under the Food Licence Holders Subsidy Scheme implemented by the FEHD in the first round of the AEF (\$80,000 for each licence holder), unlike many other beneficiaries under the Scheme, their plight is more serious as they have been forced to come to a standstill during periods of class suspension and cessation of on-campus activities.

- (ii) Proposal: A one-off relief grant of \$6,700 for each school bus driver, school private light bus driver and \$6,700 per vehicle for escorts provided that he/she has not applied for a relief grant under any other scheme in the third round of the AEF. For the avoidance of doubt, a proprietor of a fleet or vehicle receiving the subsidy under the Employment Support Scheme as a self-employed person who is also a driver is still eligible for this relief grant. Regarding cross-boundary school coach (CBSC) services, unlike those for local students, at least two escorts are required in each CBSC to take care of the students for actions such as assembly and clearance at control points, boarding at parking bays and emergency situations. As such, a higher subsidy of \$13,400 per CBSC will be provided for eligible escorts, and the maximum amount of subsidy for each escort is \$6,700.

- (d) Instructors, coaches, trainers and operators of interest classes engaged by primary and secondary schools⁵ to offer instructions and training to students or to develop students' interests and potential in arts, sports and other areas (approximately 25 000)
 - (i) All the services they provided have come to a stop with the suspension of classes and cessation of on-campus activities and they have lost most of their income from the service/tuition fees they charged.

 - (ii) Proposal: A one-off relief grant of \$5,000 for each instructor, coach, trainer or operator of interest classes engaged by a school provided that he/she has not applied for a relief grant under any other scheme in the third round of the AEF. For the avoidance of doubt, one applying for the subsidy under the Employment Support Scheme as a self-employed person is still eligible.

The operators and service providers mentioned in (a), (b), (c) and (d) above must have been engaged by schools/PSEIs during the affected periods and are in the respective trades at the time of the application.

Financial implications

3. The total expenditure is estimated to be about **\$248.9 million**, as detailed below –

/Types

⁵ Definition of schools is the same that as in Footnote 1.

Types of one-off grant	Estimated expenditure (\$million)
(i) catering outlets for primary and secondary schools	30
(ii) catering outlets for PSEIs	6.4
(iii) lunchbox providers	4.5
(iv) school bus drivers, school private light bus drivers and escorts	82
(v) instructors, coaches, trainers and operators of interest classes engaged by schools	126

Urgency

4. There is urgency to provide financial support to the aforementioned service providers in view of their cashflow strain due to the loss of income over a prolonged period of class suspension and cessation of on-campus activities.

Implementation

5. EDB will invite applications shortly after obtaining funding approval. We will follow similar application procedures adopted in the second round of the AEF, with which the service providers, operators and schools are familiar, and will streamline the same as appropriate.

6. Generally speaking, applications should be supported by relevant certifications. For catering outlets and lunch box providers, an applicant will need to obtain certification from the school or PSEI it is serving. Similar arrangements will be required for an instructor, coach, trainer or operator of interest classes to obtain certification from the school. For a school bus driver, school private light bus driver or escort, he/she will need to have the certification of his/her employer, i.e. the school bus or school private light bus operator, and the operator is required to obtain certification from the school it is serving. For a school bus or school private light bus operator who is self-employed, he/she will have to obtain certification from one of the schools which he/she is serving.

/7.

7. Depending on whether there are changes in particulars and whether new documentations have to be provided and vetted, in general, we expect that payment can generally be made in about one month upon receipt of fully completed and certified application forms.

Support for Child Care Centres

Policy Bureau : Labour and Welfare Bureau
Implementation : Social Welfare Department (SWD)

Objective

It is our objective to assist aided and non-aided child care centres (CCCs) to tide over the financial difficulties arising from the prolonged suspension of service in light of the development of the coronavirus disease 2019 epidemic.

Brief description

2. A special grant was set up under Anti-epidemic Fund (AEF) 1.0 to assist CCCs to sustain their operation in the face of the financial hardship encountered during the epidemic. SWD invited all aided and non-aided CCCs [including standalone CCCs and those attached to kindergartens (KG-cum-CCCs)] to apply for the special grant on 27 February 2020. Applicant CCCs were required to set out the mode of their service (i.e. whole day or half day mode), the approved monthly fee, and the number of children enrolled before the service suspension as at 15 January 2020. Special grants totalling \$245.8 million for the period from February to May 2020 were disbursed to the applicant CCCs, including 257 aided CCCs and 294 non-aided CCCs^{Note}.

3. In view of the prolonged suspension of service of CCCs as part of the Government's strategy to prevent the spread of the epidemic, and the financial hardships faced by some parents under the current economic situation, many parents have chosen to withdraw their children from CCC service or delay their children's admission to the service in the new school year. With the significantly reduced operating revenue from the service fees, some CCCs have been unable to sustain their operation though they are entitled to apply for assistance from the Employment Support Scheme under AEF 2.0 which only covers part of the staff cost from June to November 2020. To help CCCs tide over the financial difficulties, we propose a second round of cash grants for CCCs. For CCCs previously received the four-month grant from February to May 2020, the grant will

/be

^{Note} Subsidy was provided at the rate of \$4,000 per full-day enrolment per month and \$2,000 per half-day enrolment per month, for the four months of February to May 2020.

be set at half the rate they received from AEF 1.0. The CCCs having which have not applied for the grants under AEF 1.0 or have only commenced operation after 15 January 2020 may apply in this round with the enrolment as at October 2020 captured as reference. The grant will be set at half the rate under AEF 1.0.

Financial implications

4. We propose allocation of **\$130 million** for four months covering the period from September to December 2020 and 5% of funding buffer as reserve for the special grant.

Urgency

5. CCCs provide day care for children aged from birth to under three to enhance their growth and development in a safe, stimulating and learning environment. Some operators of CCCs have expressed concern over the unstable enrolment of children in the new school year due to prolonged service suspension and it may take a few months to pick up the enrolment even after the planned service resumption by end-September. CCCs may not be able to survive without imminent financial assistance. In fact, some 10 non-aided CCCs and KG-cum-CCCs were closed down during the epidemic. The proposed special grant will provide financial relief for CCCs so as to help sustain their operation and to ensure service continuity to the public.

Implementation

6. SWD will invite CCCs to apply for the special grant as soon as the grant is approved. The first tranche of grant will be disbursed within one month.

Fitness Centre Subsidy Scheme

Policy Bureau : Home Affairs Bureau (HAB)

Implementation : HAB

Objective

To provide financial relief to the operators of fitness centres whose business has been directly affected by the epidemic and social distancing measures imposed by the Government.

Brief description

2. Fitness Centres, which refer to any premises providing exercise machines or equipment of use and/or providing advice, instruction, training or assistance on improving physical fitness, including bodybuilding, dancing, yoga, pilates or body stretching and martial arts, have suffered seriously in the epidemic. The services provided in these fitness centres are highly interactive in nature or involve body contact, which expose the participants to a higher risk of infection. All these centres have been suspended with the introduction of requirements and restrictions imposed by the directions issued under Cap. 599F.

3. To provide financial relief to the operators, we propose to provide a subsidy of \$50,000 to each affected centre.

Financial implications

4. There is no licensing regime for fitness centre. With reference to the “Fitness Centre Subsidy Scheme” launched under the second round of the Anti-epidemic Fund, the number of eligible fitness centres is about 1 660. The total amount of subsidy involved is around **\$85.5 million**.

Urgency

5. The operation of the fitness centres has been affected by the epidemic and social distancing measures imposed by the Government. Without immediate and effective relief measures, a lot of operators would encounter operational difficulties.

/Implementation

Implementation

6. HAB will take forward the proposal after funding approval has been secured.

One-off Grant to Kindergartens and Private Schools

Policy Bureau : Education Bureau (EDB)

Implementation : EDB

Objective

It is proposed to provide a one-off grant to all kindergartens (KGs) and private primary and secondary day schools¹ to alleviate their financial hardship arising from the suspension of face-to-face teaching due to the coronavirus disease 2019.

Brief description

2. Face-to-face teaching has been suspended since February 2020 with only a short period of class resumption from late May to early July. Students continue to learn at home during the period. We understand from schools that many parents refused to pay school fees as they considered the support received from schools for learning at home was not comparable to that for face-to-face schooling. Some parents even withdrew their children from school. In response, some schools reduced school fees for all students and/or waived school fees for some students.

3. Besides, during the suspension of face-to-face teaching, KGs and private schools still have to pay for basic expenses such as rent, staff salaries, etc. Apart from producing extra learning materials for students learning at home, they have to keep the school premises open to take care of children returning to school because no adult is available to take care of them at home. They also need additional resources for cleansing and disinfection of the premises and procurement of personal protective equipment to prepare for class resumption. To alleviate their financial burden, in March and April 2020, EDB offered them a one-off grant at rates ranging from \$60,000 to \$160,000 depending on their sizes and types.

4. While EDB has announced class resumption by phases starting from 23 September 2020, some parents are still reluctant to pay school fees or send their children to school as there are only a few days' schooling in September and there

/is

¹ Including international schools, Private Independent Schools and other private primary and secondary day schools offering formal curriculum. .

is lingering concern as to whether classes will be further suspended in case of resurgence of the epidemics. For KGs joining the KG education scheme (Scheme-KGs), withdrawal of students will lead to serious financial loss as government subsidy in the new school year is based on enrolment.

5. To alleviate the financial difficulties of KGs and private schools, we propose to further offer a one-off grant for KGs and private primary and secondary day school at the rate ranging from \$30,000 to \$80,000 depending on their sizes and types. Details are as follows –

Categories of KGs/schools	Rate
(i) KGs	
Long whole day ² –	
• 33 or less students	\$60,000
• More than 33 students	\$80,000
Scheme-KGs with whole day session:	
• 33 or less students	\$50,000
• More than 33 students	\$70,000
Scheme-KGs (half day) only	\$30,000
Non-Scheme KGs	\$40,000
(ii) Private primary and secondary day schools	\$40,000

6. We estimate that the above measure will benefit about 1 000 KGs and 180 private primary and secondary day schools.

Financial implications

7. The total expenditure is estimated to be about **\$67.5 million**.

Urgency

8. There is urgency to provide further financial support to KGs and private primary and secondary day schools as they may encounter cash flow strain due to loss of income whilst having to pay for basic operating expenses and extra cost for cleansing and disinfection measures for the school premises.

/Implementation

² Individual long whole-day KGs have a small number of half-day students. In such cases, two half-day students are counted as one student.

Implementation

9. No application is required. EDB will disburse the subsidy to schools in about one month after obtaining the funding from the Anti-epidemic Fund.

**One-off Grant to Private Schools Offering
Non-formal Curriculum (Generally Referred to as “Tutorial Schools”)**

Policy Bureau : Education Bureau (EDB)

Implementation : EDB

Objective

The proposal aims to provide financial relief to operators of private schools offering non-formal curriculum (PSNFCs) (generally referred to as “tutorial schools”) as their business and income have been severely affected during the periods of class suspension and cessation of on-campus activities due to the social distancing measures to minimize the risk of spread of the coronavirus disease 2019 in schools.

Brief description

2. PSNFCs are registered by EDB under the Education Ordinance. During the periods of class suspension and cessation of on-campus activities, no or limited services (e.g. through e-means) could be provided by PSNFCs. As a result, they have been hard hit as many parents choose to withdraw their children from the tuition classes or refuse to pay any fees.

3. To relieve the financial difficulties of PSNFCs, we propose to offer a one-off grant of \$20,000 to each PSNFC registered under the Education Ordinance on or before the planned resumption of face-to-face classes on 23 September 2020 and that is in operation on the date of invitation of application. Should a PSNFC operate both day and evening sessions at the same premises, it will be considered as one school irrespective of whether it has one or two registrations. For PSNFCs of the same group operating at different locations and having a separate registration for the school at each location, each separately registered school will be counted as one school. Centres for Designated Evening Adult Education Courses, which offer evening secondary courses for adult learners, will also be eligible. We estimate that the above measure will benefit about 3 000 PSNFCs.

Financial implications

4. The total expenditure is estimated to be about **\$60 million**.

/Urgency

Urgency

5. There is urgency to provide financial relief to PSNFCs in view of the cash flow strain due to the loss of income whilst having to pay for basic operating expenses and extra costs for cleansing and disinfection measures.

Implementation

6. EDB will invite applications shortly after obtaining funding approval. It aims at disbursing the funding in about one month upon receipt of fully completed application forms.

One-off Grant to Registered Sports Coaches

Policy Bureau : Home Affairs Bureau
**Implementation : Leisure and Cultural Services Department (LCSD)
and National Sports Associations (NSAs)/Sports
Organisations (SOs)**

Objective

To provide additional grant to eligible registered coaches under NSAs and SOs¹ under the “One-off Grant to Registered Sports Coaches” scheme (the Scheme).

Brief description

2. Due to closure of sports venues of LCSD, schools and sports clubs, many sports and recreational programmes and activities were cancelled. The livelihood of many coaches who rely on income from sports coaching has been seriously affected. To provide financial support to sports coaches, the Scheme was implemented under Anti-epidemic Fund (AEF) 2.0. Under the Scheme, \$7,500 would be provided to eligible sports coaches who fulfill the following criteria –

- (a) who are registered under NSAs or recognised SOs; and
- (b) who have been coaching in the past year (1 April 2019 to 31 March 2020).

3. At the same time, noting the ex-gratia nature of the grant, eligible applicants must not be benefiting from the relief grants administered by the Education Bureau (EDB) and Social Welfare Department (SWD) for instructors of interest group/class under the AEF 2.0. Based on the estimation that around 90% of some 17 000 sports coaches registered under NSAs/SOs have been coaching in the past year, a total of \$116 million (17 000 x 90% x \$7,500) was approved under AEF 2.0.

/4.

¹ Refers to sports organisations that are receiving subvention (project base) from LCSD’s Sports Subvention Scheme.

4. The application period of the Scheme was 15 May to 15 June 2020. After closing of the application, 11 252 applications were received, 8 477 and 2 775 applications were approved and rejected² respectively, and \$63.6 million has been dispersed.

5. Whilst the sports and recreational facilities of LCS D started to resume service gradually since end April 2020, in view of the situation of coronavirus disease 2019 in mid-July, further measures to maintain social distancing was implemented and most of the LCS D facilities were temporarily closed again starting from 15 July until further notice. In fact, during the period of early-February to early September, the unbroken period of normal operation of LCS D facilities lasted for less than four weeks. Most of the sports coaches rely heavily on LCS D venues (e.g. swimming pools, ball courts, sports grounds etc) to conduct their coaching. Their coaching activities have to be ceased again and the livelihood of sports coaches has been seriously affected, in particular during the summer which is their peak season for private coaching. To provide further support to sports coaches, we propose to provide grant again at \$5,000 to those sports coaches who are eligible for the Scheme (estimated at around 8 500 sports coaches). It is estimated that \$42.5 million will be required.

6. In addition, we expect that there will be some registered sports coaches who have started coaching after 31 March 2020 when LCS D re-opened the venues in end April. It is proposed that these coaches should also be eligible for the support and the same amount of grant of \$5,000 be provided to these coaches. It is estimated that around \$2.5 million will be required for the purpose³.

Financial implications

7. The financial implication for providing grant again to around 9 000 eligible sport coaches, with \$5,000 per coach, under the Scheme is estimated to be **\$45 million**.

Urgency

8. The livelihood of large number of sports coaches have been seriously affected since the outbreak of the epidemic. Given the closure of schools and sports venues of LCS D and sports clubs, their sports lessons and private coaching have ceased and there is an urgent need to provide assistance to them.

/Implementation

² The grounds of rejection are either that they are not registered/licensed by NSAs or SOs, or have not been engaged in active coaching in the year before.

³ According to the recent public enquiries, it is estimated that there would be about 500 newly registered coaches who started coaching after 31 March 2020.

Implementation

9. Eligible coaches who were given the grant under AEF 2.0 scheme vide LCSD may apply for the additional grant without provision of other supplementary information. For new applications, applicants shall provide required information for assessing their eligibility, with a declaration that they have not applied for any grants under EDB and SWD as mentioned in paragraph 3 above and will not apply for latest new round of schemes under EDB and SWD. As was the case with AEF 2.0, LCSD would seek assistance from NSAs/SOs to verify their qualification accordingly. To avoid double benefit, mechanisms were in place to detect duplication of application received by different departments from the same applicant.

Time Frame

10. Subject to funding approval, we aim to invite application within one month.

Club-house Subsidy Scheme

Policy Bureau : Home Affairs Bureau
Implementation : Office of the Licensing Authority (OLA) under the Home Affairs Department (HAD)

Objective

It is our objective to provide immediate financial relief to holders of Certificate of Compliance (CoC) issued under the Clubs (Safety of Premises) Ordinance (Cap. 376), as their business has been hard-hit by the epidemics and social distancing measures imposed by the Government.

Brief description

2. Club-houses operating with a CoC issued under the Clubs (Safety of Premises) Ordinance (Cap. 376) are premises affording facilities for exclusive use by a club and its members for the purpose of social interaction or recreation. Many club-houses provide their club members with a wide range of services and facilities, such as catering, fitness facilities, karaoke facilities, mahjong playing, bars, beauty services, etc.

3. Under the directions issued by the Secretary for Food and Health pursuant to the Prevention and Control of Disease (Requirements and Directions) (Business and Premises) Regulation (Cap. 599F), club-houses (and/or the services/facilities provided therein) have been ordered to **close or put in place tightened specified pre-cautionary measures** since 9 July 2020 due to drastic change of the epidemic situation. The operation and businesses of club-houses have thus been seriously affected by the epidemics.

4. To provide immediate financial relief to the operators of club-houses, we propose to provide a subsidy of \$50,000 to around 580 holders of CoC issued under the Clubs (Safety of Premises) Ordinance (Cap. 376), plus a further subsidy of \$25,000 to those who also operate karaoke establishment¹, nightclub or bar/pub² in their club-houses.

/Financial

¹ As at 31 July 2020, there are 25 karaoke establishments operating with Karaoke Establishment Permits in club-houses.

² All nightclubs/bars/pubs, as per interpretation set out in Cap. 599F, are premises where liquor is normally sold for consumption on the premises. In other words, nightclubs/bars/pubs in club-houses should have obtained Club Liquor Licence under the Dutiable Commodities (Liquor) Regulations (Cap. 109B). As at 31 July 2020, there are altogether 396 such licences issued to club-houses.

Financial implications

5. The total amount of subsidy involved is around **\$40 million**.

Urgency

6. The operation of club-houses has been hard hit by the epidemics and social distancing measures imposed by the Government. Without immediate and effective relief measures, a lot of operators would be driven out of business, and their staff would be laid off, thus jerking up the unemployment rate.

Implementation

7. The OLA under the HAD will take forward the proposals after funding approval has been secured. We aim to invite applications from eligible club-house operators in around one week after funding approval is obtained.

Sports Premises Subsidy Scheme

Policy Bureau : Home Affairs Bureau

Implementation : Home Affairs Bureau

Objective

It is our objective to provide financial relief to operators of sports premises whose business has been directly affected by the epidemic and social distancing measures imposed by the Government.

Brief description

2. Sports premises means any premises (other than a fitness centre, a place of amusement and a swimming pool) designed for indoor or outdoor sporting activities (whether on land or not). The income of these sports premises, such as table-tennis centres, fencing schools, etc., mainly comes from students joining the classes and participants of activities. Their operation has been directly affected by the epidemic. The Government amended the relevant provisions under the Prevention and Control of Disease (Requirements and Directions) (Business and Premises) Regulation (Cap. 599F) to incorporate sports premises into the list of scheduled premises with effect from 29 July 2020. All these sports premises have been suspended with the introduction of requirements and restrictions imposed by the directions issued under Cap. 599F.

3. To provide financial relief to these operators, we propose to provide a one-off subsidy of \$30,000 to each affected sports premises.

Financial implications

4. There is no licensing regime for sports premises. Based on the latest statistics and information from the industry, it is estimated that there are about 1 100 sports premises in the market. The total amount of subsidy involved is around **\$33 million**.

/Urgency

Urgency

5. The operation of the above sports premises has been affected by the epidemic and social distancing measures imposed by the Government. Without immediate and effective relief measures, a lot of operators would encounter operational difficulties.

Implementation

6. The Home Affairs Bureau will discuss with relevant stakeholders to work out the details of implementation of the scheme after funding approval has been secured.

**Scheme on Relief Grants for Interest Class Instructors
Hired by Subvented Non-governmental Welfare Organisations**

Policy Bureau : Labour and Welfare Bureau
Implementation : Social Welfare Department (SWD)

Objective

To provide additional relief grants for eligible interest class instructors hired by welfare service units of non-governmental organisations (NGOs) subvented by the SWD.

Brief description

2. Subvented welfare service units such as youth centres, elderly centres, community centres, rehabilitation centres, etc. have suspended services since February 2020 in the light of the Coronavirus Disease 2019 epidemic situation and interest class instructors hired by these units have lost much of their income. SWD launched the “Scheme on Relief Grants for Interest Class Instructors Hired by Organisations Subvented by the Social Welfare Department” (the Scheme) under the second round of the Anti-epidemic Fund (AEF) to provide a one-off relief grant of \$7,500 for each of the eligible interest class instructors who were engaged or planned to be engaged by subvented welfare service units from February to August 2020. The application period of the Scheme was from 15 May to 15 June 2020 and further extended to 31 July 2020. SWD provided around \$31.5 million relief grants for about 4 200 eligible interest class instructors under the Scheme.

3. While subvented welfare service units started preparing to gradually resume interest class activities in May 2020 and engage interest class instructors for programmes after August 2020, the services have been further suspended owing to the unstable epidemic situation since mid-July 2020. Even with planned gradual resumption of service provision from late September 2020, to ensure public health and to continue social distancing measures, full scale implementation of interest class activities in the service units will not be possible in the coming few months. To provide further support for interest class instructors, it is proposed that a one-off relief grant of \$5,000 be provided for each of the successful applicants for the Scheme who have lost further income as a result of the continued suspension of services under the persistent epidemic situation, and new eligible applicants. Same

/as

as the Scheme, the applicants must not be benefiting from the relief grants administered by the Education Bureau (EDB) for school instructors of learning/interest classes or by the Leisure and Cultural Services Department (LCSD) for registered sports coaches under the third round of AEF.

Financial implications

4. The total amount of relief grants for implementation of this measure is estimated to be **\$30 million** for around 6 000 beneficiaries.

Urgency

5. Service suspension in related subvented welfare service units has started since February 2020 and the livelihood of interest class instructors has been seriously affected since the outbreak of the pandemic. There is a dire need to provide further relief assistance for this group.

Implementation

6. Eligible interest class instructors who were given relief grants under the Scheme in the second round of AEF and have lost further income as a result of the continued suspension of services may apply for the additional grant through completing a simple application form. For new applicants, they shall follow the application procedures of the Scheme, i.e. to submit application forms to SWD through the subvented welfare service units which have engaged them for work during the epidemic period but whose service has been suspended during the period, for verification of their eligibility. All applicants under this measure have to declare that they have not applied for the grants through EDB and LCSD under the third round of AEF as mentioned in paragraph 3 above. To avoid double benefit, mechanisms are in place among SWD, EDB and LCSD to detect duplication of applications from the same applicant. Payment of subsidy to eligible applicants will be made within one month following the approval of application.

Time Frame

7. We aim to launch the scheme within one month after funding approval.

**Arts and Culture Sector Subsidy Scheme –
Subsidy to Individual Arts Practitioners and Freelancers**

Policy Bureau : Home Affairs Bureau

Implementation : Home Affairs Bureau and others

Objective

This proposal seeks to provide another round of financial assistance for individual arts practitioners and freelancers whose living has been seriously affected as a result of the closure of performing venues due to the new wave of outbreak of the Coronavirus Disease 2019 (COVID-19) in July to August 2020 in Hong Kong.

Brief description

2. Noting that the livelihood of individual arts practitioners and freelancers in the arts and culture sector would be significantly affected by the closure of performance venues of the Leisure and Cultural Services Department (LCSD) venues¹, we have introduced as part of the Anti-epidemic Fund a “Support Scheme for Arts and Cultural Sector” that is administered by the Hong Kong Arts Development Council (HKADC). Under the scheme, eligible individual arts practitioners and freelancers are each allowed a subsidy of up to \$7,500. As at 4 September 2020, more than 3 000 individual arts practitioners and freelancers have benefited.

3. A separate scheme administered for the Cantonese opera sector has also been introduced. We have engaged the Chinese Artists Association of Hong Kong (Barwo) as our agent to collate information for all cancelled Cantonese opera performances from 29 January to 30 June 2020, including the identity of each practitioner from various categories involved in the performances. As at 26 August 2020, Barwo has, in accordance with the parameters agreed with the Government, disbursed subsidy to 775 practitioners in the Cantonese opera sector.

4. In view of the new wave of outbreak of COVID-19 in July 2020, the Government has implemented more stringent social distancing measures: all performance venues managed by LCSD have been closed from 15 July 2020 and

/just

¹ Performance venues under LCSD was closed from 29 January 2020 to 19 June 2020. As affected by the new wave of outbreak in July 2020, the performance venues were further closed from 15 July 2020 and only reopened for rehearsals and live performances without audience from 11 September 2020.

just re-opened for rehearsals and live performances without audience from 11 September 2020. As a result, the livelihood of individual arts practitioners and freelancers in the arts and culture sector has been further affected. Though some performances are delivered online during the pandemic, they are fewer in number, delivered by a reduced cast and do not attract box income. We consider there is a strong need to enhance the support for individual arts practitioners and freelancers in the arts and culture sector.

5. As HKADC and Barwo have both implemented subsidy schemes targeting at individuals, they have built up a database on the active practitioners in the arts and culture sector. We shall continue to engage them as agents to implement the proposed subsidy scheme. In respect of the amount, we propose one-off subsidy of \$5,000² for each of the individual arts practitioners/freelancers who are already on the database of HKADC and Barwo. This provision of one-off subsidy of \$5,000 is similar to the arrangement to provide an additional grant to eligible registered coaches under “National Sports Associations” and Sports Organisations under the “One-off Grant to Registered Sports Coaches” scheme as set out in Enclosure A13.

Encl. A13

Financial implications

6. The financial implication for the enhanced subsidy for individual arts practitioners and freelancers in the arts and culture sector is about **\$23 million**³.

Urgency

7. The livelihood of a large number of arts practitioners and freelancers in the arts and culture sector has been seriously affected since the outbreak of the epidemic. Given the closure of performance venues, their job opportunities have been significantly reduced and there is an urgent need to provide assistance to them.

Implementation

8. We will provide the one-off subsidy of \$5,000 to each of the eligible individual arts practitioners/freelancers through HKADC and Barwo.

² Each art practitioner should receive the \$5,000 subsidy once. We will check against the two lists of individuals under HKADC’s scheme and Barwo’s scheme to avoid double counting.

³ About 3 300 individual art practitioners/freelancers under the HKADC scheme and 775 Chinese opera practitioners under the Barwo scheme. $\$5,000 \times (3\,300 + 775) \times 1.1$ (for contingency) = \$22.4 million.

Places of Public Entertainment Licence Holder Subsidy Scheme

Policy Bureau : Home Affairs Bureau

**Implementation : Food and Environmental Hygiene Department
(FEHD)**

Objective

It is our objective to provide immediate financial relief to places of public entertainment licence holders whose business has been hard-hit by the epidemics and social distancing measures imposed by the Government.

Brief description

2. Under the directions issued by the Secretary for Food and Health pursuant to the Prevention and Control of Disease (Requirements and Directions) (Business and Premises) Regulation (Cap. 599F), places of public entertainment were ordered to close for the period from 15 July 2020 to 10 September 2020¹.

3. To provide immediate financial relief to the affected operators (except cinema operators to be dealt with under the Cinemas Subsidy Scheme), it is proposed that holders of a place of public entertainment licence (PPEL) or a temporary PPEL (TPPEL)² issued under the Places of Public Entertainment Ordinance (Cap. 172) may each apply for a one-off subsidy as follows –

- (a) \$50,000 for a holder of PPEL; and
- (b) \$10,000 for a holder of TPPEL.

4. A wide range of activities may be operated with a PPEL or a TPPEL. Family amusement centre is one of the major types of places which is operated under a PPEL, while TPPEL covers operations of short-term performance and exhibition. These places of public entertainment are affected by the epidemics and required to be closed under the directions issued under Cap. 599F.

/5.

¹ While the majority of the places of public entertainment were allowed to reopen with certain conditions on 11 September 2020, cinemas had been allowed to reopen on an earlier date while theme parks and exhibition venues would only be allowed to reopen on a later date.

² TPPEL covers public entertainment events of temporary nature. The validity of TPPEL is less than one year.

5. Around 180 PPEL and 400 TPPEL holders should be eligible under the scheme.

Financial implications

6. The amount of subsidy involved is around **\$13 million**.

Urgency

7. The operation of the places of public entertainment has been hard hit by the epidemics and social distancing measures imposed by the Government. Without immediate and effective relief measures, a lot of operators would be driven out of business, and their staff would be laid off, thus jerking up the unemployment rate.

Implementation

8. FEHD will invite funding applications from eligible licence holders within two weeks after funding approval is obtained.

Amusement Game Centres Subsidy Scheme

Policy Bureau : Home Affairs Bureau

Implementation : Office of the Licensing Authority (OLA) under the Home Affairs Department

Objective

It is our objective to provide immediate financial relief to operators of amusement game centres whose business has been hard-hit by the epidemics and social distancing measures imposed by the Government.

Brief description

2. Under the directions issued by the Secretary for Food and Health pursuant to the Prevention and Control of Disease (Requirements and Directions) (Business and Premises) Regulation (Cap. 599F), amusement game centres under the definition stipulated in the Amusement Game Centres Ordinance (Cap. 435) were ordered to close for the period from 15 July 2020 to 10 September 2020.

3. To provide immediate financial relief to the affected operators, we propose to provide a subsidy of \$50,000 to around 240 amusement game centre operators which include operators of licensed amusement game centres, operators of e-sports venues that have been duly exempted, or have applied for but not yet obtained exemption, from Cap. 435 and operators of internet computer services centres registered with the OLA under the Home Affairs Department.

Financial implications

4. The amount of subsidy involved is around **\$12 million**.

Urgency

5. The operation of the amusement game centres has been hard hit by the epidemics and social distancing measures imposed by the Government. Without immediate and effective relief measures, a lot of operators would be driven out of business, and their staff would be laid off, thus jerking up the unemployment rate.

/Implementation

Implementation

6. OLA will invite funding applications from eligible operators in around one week after funding approval is obtained.

Cinemas Subsidy Scheme

Policy Bureau : Commerce and Economic Development Bureau

Implementation : Create Hong Kong

Objective

It is our objective to provide financial relief to cinema operators to help sustain their businesses which were mandated to be closed or operate at limited capacity in the past months.

Brief description

2. Pursuant to directions made by the Secretary for Food and Health under Cap 599F, cinemas were mandated to be closed from 28 March to 7 May 2020, operate at 50% or 80% seating capacity from 8 May to 14 July, and be closed again from 15 July to 27 August before re-opening on 28 August operating at 50% seating capacity. Even when cinemas were in limited operation, no eating or drinking was allowed inside cinemas' houses, thus depriving cinemas of an important source of revenue from sale of food and beverage. There was a sharp drop in box office receipts due to reduced seating capacity and some audience avoiding indoor entertainment venues. In July 2020, box office per cinema per day before closure dropped by 44% compared with June 2020 and by 82% compared with January 2020.

3. We propose to provide a one-off subsidy of \$50,000 per screen to each existing cinema licensed as a place of public entertainment with commercial operation in July 2020. The maximum subsidy for a cinema circuit is \$1.5 million. There are about 290 screens operated by about 60 cinemas in Hong Kong.

Financial implications

4. The estimated financial implication of the support measure is **\$10.5 million.**

/Urgency

Urgency

5. Cinemas are a key player in the film sector and assistance is important to help them tide over this challenging period.

Implementation

6. Upon approval of the proposal, payment can be made to eligible cinemas within two weeks.

**Provision of Subsidy to Companies in the Performing Industry
which Organise Pop Concerts**

Policy Bureau : Home Affairs Bureau (HAB)

Implementation : HAB and others

Objective

This proposal seeks to provide assistance to companies in the performing industry which organise pop concerts and have been hard hit by the closure of performance venues and social distancing measures imposed by the Government.

Brief description

2. In the package of measures introduced in the second round of Anti-Epidemic Fund (AEF 2.0), the Leisure and Cultural Services Department (LCSD) has introduced a measure to reduce by half the hire charges based on gross ticket proceeds (i.e. to reduce from 20% to 10%) for four performance venues of LCSD, namely Hong Kong Coliseum, Queen Elizabeth Stadium, Hong Kong Cultural Centre and Hong Kong City Hall for two years. This measure will benefit some 150 hirers per year, who are mostly pop concert organisers. The financial implication is \$180 million. Pursuant to further discussion with the Performing Industry Association (PIA) that represents companies in the performing industry which organise pop concerts, LCSD agreed to go an extra mile to count the two-year period of rental reduction from four months after the date of resumption of 100% seating arrangement. Events during the four-month grace period would also be eligible for the reduction. The additional revenue foregone is estimated to be \$13 million on top of the original revenue foregone of \$180 million, i.e. total revenue foregone will be close to \$200 million.

3. Cancellation of pop concerts with confirmed booking or were already under preparation would invariably incur abortive spending. Some companies also face cash flow problems. Noting that assisted loan facility is already available

/under

under the SME Financing Guarantee Scheme (SFGS)^{Note}, we propose giving an additional assistance in the form of a grant of \$100,000 to each of the 76 companies in the performing industry which organised pop concerts in two of the years between 2017 and 2019 in designated venues with a view to facilitating and encouraging the organisation of more pop concerts after the end of the pandemic.

4. We estimate that the proposed subsidy, together with LCSD's reduction in hire charges detailed in paragraph 2 and the loan guarantees provided by the Government under the SFGS, should go a long way to enhancing the business viability of staging pop concerts. This, in turn, will also help revitalise the industry and rebuild Hong Kong's vibrancy.

Financial implications

5. The financial implication for the proposal is about **\$7.6 million**.

Urgency

6. It is essential that our assistance to the industry is timely so that they will be incentivised to plan and organise large-scale concerts, which usually need a long lead time.

Implementation

7. We will discuss with PIA to work out the implementation details.

^{Note} The Government provides loan guarantees under the SME Financing Guarantee Scheme (SFGS) to help ease enterprises' cash flow problems with different guarantee products. In particular, the Special 100% Guarantee Product under the SFGS has been enhanced as mentioned in paragraph 24 of the main paper. The interest rate remains at Hong Kong Prime Rate as specified by HKMC from time to time minus 2.5% per annum (or equivalent), currently at 2.75%.

**Arts and Culture Sector Subsidy Scheme –
Rental Support for Tenants of Arts Spaces and
Jockey Club Creative Arts Centre**

Policy Bureau : Home Affairs Bureau (HAB)

Implementation : HAB and others

Objective

This proposal seeks to continue the rental waivers being provided to the tenants of the Jockey Club Creative Arts Centre (JCCAC) and arts spaces run by the Hong Kong Arts Development Council (HKADC) for six months from 1 October 2020 to 31 March 2021.

Brief description

2. The Government first provided 100% rental waiver for the tenants for *three* months from 1 February to 30 April 2020. Some 260 tenants, all of them artists and small-sized arts groups, have benefitted from the 100% rental waiver from February to April 2020. On 8 April 2020, the Government announced a package of measures under the second round of the Anti-epidemic Fund. Amongst the measures are the rental and fees concessions for Government premises. In particular, the Government will provide 75% rental concessions for eligible business/organisations operating in Government premises from April to September 2020. Following this announcement, we have already extended the assistance to HKADC and JCCAC so that they can similarly offer 75% rental concessions to the some 260 tenants of these arts spaces managed by them starting from May till September 2020.

3. In the light of the third wave of outbreak of Coronavirus Disease 2019 since July 2020, tenants of the JCCAC and arts spaces run by HKADC have continued to be affected seriously. We propose that the rental concession at 75% for HKADC and JCCAC be further extended for six months from October 2020 to March 2021 to relieve the rental burden of the tenants of the arts spaces. Some 260 tenants, all of them artists and small-sized arts groups, will continue to benefit from this extension.

Financial implications

4. The financial implication is about **\$6.5 million** for six months.

Urgency

5. Many of these tenants already had to stop their normal business (such as performances and exhibitions) due to the pandemic. Their cash flow and livelihood have been seriously affected. If the rental waiver is not extended, they may not be able to maintain operation in the arts spaces.

Implementation

6. The Home Affairs Bureau will take forward the proposal after funding approval has been secured.

Sports and Recreational Sites Subsidy Scheme

Policy Bureau : Home Affairs Bureau (HAB)

Implementation : HAB

Objective

It is our objective to provide financial relief to operators of sports and recreational (S&R) facilities on sites granted by the Government whose business has been directly affected by the epidemic and social distancing measures imposed by the Government.

Brief description

2. These operators of S&R facilities are not-for-profit organisations such as “national sports associations”, district sports associations, uniformed groups and non-governmental organisations. They provide various S&R facilities such as water sports centres and ball games training centres, etc. All the S&R facilities on the sites have been suspended with the Government’s appeal for social distancing on 14 July 2020.

3. To provide financial relief to these operators, we propose to provide a one-off subsidy of \$50,000 to each affected site.

Financial implications

4. The total amount of subsidy involved is around **\$4 million**.

Urgency

5. The operation of the above S&R facilities has been affected by the epidemic and social distancing measures imposed by the Government. Without immediate and effective relief measures, these operators would encounter operational difficulties.

/Implementation

Implementation

6. HAB will take forward the proposal after funding approval has been secured.

Mahjong/Tin Kau Licence Holder Subsidy Scheme

Policy Bureau : Home Affairs Bureau
Implementation : Office of the Licensing Authority (OLA) under the Home Affairs Department

Objective

It is our objective to provide immediate financial relief to Mahjong/Tin Kau licence holders whose business has been hard hit by the epidemics and social distancing measures imposed by the Government.

Brief description

2. Under the directions issued by the Secretary for Food and Health pursuant to the Prevention and Control of Disease (Requirements and Directions) (Business and Premises) Regulation (Cap. 599F), Mahjong-Tin Kau premises were ordered to close for the period from 15 July 2020 to 10 September 2020.

3. To provide immediate financial relief to these affected operators, we propose to provide a subsidy of \$50,000 to the holders of Mahjong/Tin Kau Licence issued under the Gambling Ordinance (Cap. 148). A total of 66 holders should be eligible under the scheme.

Financial implications

4. The amount of subsidy involved is around **\$3.3 million**.

Urgency

5. The operation of the Mahjong-Tin Kau premises has been hard hit by the epidemics and social distancing measures imposed by the Government. Without immediate and effective relief measures, a lot of operators would be driven out of business, and their staff would be laid off, thus jerking up the unemployment rate.

/Implementation

Implementation

6. OLA will invite funding applications from eligible licence holders in around one week after funding approval is obtained.

Places of Amusement Licence Holders Subsidy Scheme

Policy Bureau : Home Affairs Bureau

Implementation : Leisure and Cultural Services Department (LCSD)

Objective

It is our objective to provide one-off subsidy to the Places of Amusement (including billiard establishments, public bowling-alleys and public skating rinks) licensed under the Places of Amusement Regulation (Cap. 132BA) which are affected by the implementation of the Prevention and Control of Disease (Requirements and Directions) (Business and Premises) Regulation (Cap. 599F).

Brief description

2. Billiard establishments^{Note}, public bowling-alleys and public skating rinks are licensed under the Places of Amusement Regulation (Cap. 132BA). These establishments are within the meaning of Scheduled Premises of Cap. 599F and had been directed to close during the specified period from 15 July 2020 in an effort to further tighten social distancing measures. We propose to provide a one-off subsidy of \$50,000 for each of these licensed establishments. Currently, there are 49 billiard establishments, five public bowling-alleys and five public skating rinks. The total beneficiaries of the proposal are 59 such business establishments.

Financial implications

3. The total funding required is about **\$3 million** (\$50,000 x 59 licensed establishments).

Urgency

4. The operation of these premises has been hard hit by the epidemics and social distancing measures imposed by the Government. Without immediate and effective measures, a lot of operators would be driven out of business, and their staff would be laid off, thus jerking up the unemployment rate.

/Implementation

^{Note} A billiard establishment having fewer than four tables for the playing of billiards, snooker, pool or similar games is exempt from the requirement of having a valid licence issued by the Leisure and Cultural Services Department. These establishments would not be entitled to the proposed subsidy.

Implementation

5. LCSD is the licensing authority of the places of amusement licenses. If the funding proposal is approved and funds are made available, LCSD targets to start disbursing the subsidy to eligible licensees within 30 days.

Further Subsidy to Commercial Bathhouses

Policy Bureau : Food and Health Bureau
Implementation : Food and Environmental Hygiene Department (FEHD)

Objective

It is our objective to provide further financial relief to operators of commercial bathhouses whose businesses have been hard-hit by the tightened social distancing measures imposed by the Government since mid-July 2020 to combat the Coronavirus Disease 2019 in a public health emergency.

Brief description

2. Pursuant to the directions issued by the Secretary for Food and Health since mid-July 2020 under the Prevention and Control of Disease (Requirements and Directions) (Business and Premises) Regulation (Cap. 599F), bathhouses are directed to close for business until 17 September 2020 and may thereafter reopen subject to implementation of certain measures. Their businesses have been seriously affected. Further to a subsidy disbursed to these operators earlier on under the Anti-epidemic Fund, we propose to provide further financial relief to each of them by way of a one-off subsidy of \$50,000. Holders of a commercial bathhouse licence issued by the FEHD are eligible.

Financial Implication

3. We estimate that around 50 commercial bathhouses will benefit from the subsidy. The total amount of subsidy involved is approximately **\$2.5 million**.

Urgency

4. The operation of commercial bathhouses has been hard hit by the epidemics and social distancing measures imposed by the Government. Without immediate and effective relief measures, some operators may be driven out of business, and their staff laid off.

/Implementation

Implementation

5. Upon funding approval by the Finance Committee, FEHD will invite applications from eligible commercial bathhouses within about one week, with the target of disbursing subsidies to them within about two weeks from receiving their respective applications.

**Procurement and Administration of
Coronavirus Disease 2019 (COVID-19) Vaccines**

Policy Bureau : Food and Health Bureau

Implementation : Department of Health (DH)

Objective

To safeguard the health of the public as well as our healthcare system, the Government needs to take swift and proactive actions to reserve/procure potential vaccines to protect our citizens from contracting COVID-19. Members are invited to approve a new non-recurrent commitment of \$8,441.3 million under Head 37 Department of Health Subhead 700 General non-recurrent for reserving/procuring potential vaccines and administering them for the entire population of Hong Kong.

Brief description

2. As at 15 September 2020, there are 35 candidate vaccines for protecting against COVID-19 undergoing clinical trials for safety and efficacy evaluation. While nine¹ of them have entered Phase 3 clinical trial, no vaccine has yet obtained full regulatory approval for human application. There is also no clear scientific evidence indicating which vaccine(s) or type(s) of vaccine would perform most effectively or emerge as the frontrunner(s) for early production.

3. Notwithstanding the uncertainties, the Government must take swift and proactive actions to secure potential vaccines for the Hong Kong population. At the advice of the Joint Scientific Committees² under the DH and relevant expert groups, vaccine procurement will be aimed to cater for the entire Hong Kong population. The decision on the choice of vaccines and hedging policies would be made in the light of the latest scientific and clinical evidence available. Safety should be of overarching importance, as well as proven efficacy and quality of the vaccines. The following two-pronged approach to vaccine procurement is proposed to be taken.

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¹ Including one that has not started recruitment for Phase 3 clinical trial.

² The Joint Scientific Committee on Emerging and Zoonotic Diseases and the Scientific Committee on Vaccine Preventable Diseases.

(1) Joining the COVAX Facility (COVAX)

4. The first prong is to join the COVAX. COVAX, co-led by the Vaccine Alliance (Gavi), the Coalition for Epidemic Preparedness Innovations and the World Health Organization (WHO), aims to foster research and development as well as production of COVID-19 vaccines, to ensure fair and equitable distribution of vaccines to places around the world and to protect the most vulnerable populations. The aim is to have the vaccines delivered to the participating countries/economies by end 2021.

Terms of COVAX

5. Participants of COVAX may indicate to purchase doses to cover 10% to 50% of their population. However, to ensure equitable access, additional doses exceeding 20% of the population would only be allocated after all participants have been offered/allocated their initial 20% (or the percentage indicated if lower than 20%). Allocation of doses in excess of the 20% is subject to global supply and demand and risk assessment of the epidemic situation.

6. COVAX offers participants two purchasing options, namely the Optional Purchase Arrangement and Committed Purchase Arrangement. Participants are afforded the flexibility to opt out of any vaccine offered to them under the former arrangement, while they must accept the vaccines offered under the latter. For the benefit of the flexibility offered, the Optional Purchase Arrangement requires that an upfront commitment of US\$3.50 per dose be provided, vis-à-vis a down payment of US\$1.60 per dose under the Committed Purchase Arrangement.

7. Having regard to the views of the Joint Scientific Committees and relevant expert groups, the Government has submitted a confirmation of intent to join COVAX under the Optional Purchase Arrangement and indicated to procure vaccines to cover 35% of the Hong Kong population. In the event the supply of vaccines turns out to be extremely tight, COVAX would serve as a form of “safety net” to secure doses of vaccines to cater for the needs of the most vulnerable groups in society. The 35% coverage broadly covers the proposed priority groups for receiving vaccination as set out under paragraph 11 below.

(2) Entering into Advance Purchase Agreements (APAs)

8. COVAX inevitably comes with the uncertainties with regard to the development, allocation and exact timing of availability of vaccines. COVAX also cannot provide territory-wide coverage, and allocation of doses in excess of 20% is

/subject

subject to global supply and demand and risk assessment. There is thus a pressing need for the Government to pursue additional supplies through entering into APAs in order to be able to meet the demands of the entire Hong Kong population in the longer run.

9. According to estimates by Gavi, the attrition rate of candidate vaccines is around 50%. In other words, it is expected that only around half of the candidate vaccines undergoing clinical trials will prove to be viable. In the light of this, we must diversify risks when making purchases under APAs. Having regard to the views of the Joint Scientific Committees and relevant experts, our goal is to procure at least two candidate vaccines from different vaccine developers across different vaccine platforms³. We also aim to procure sufficient doses of vaccines to cover at least twice the Hong Kong population. This is to ensure that even if not all our chosen candidate vaccines under APAs emerge as viable, territory-wide coverage can still be achieved. On the flip side, if every one of our chosen candidate vaccines prove viable, we would have coverage for at least twice our population under APAs. Together with the 20% “safety net” from COVAX which may increase to 35%, the maximum population coverage would be around 220% to 235%. We however do not really have a choice if we are to ensure adequate protection of our population in the face of keen global competition for vaccines and would argue for adequate financial provisions for us to do so.

10. Decision on the brand and type of vaccines to reserve/procure would need to be grounded on scientific evidence and clinical data. To facilitate making informed and scientifically backed decisions as far as possible, the Government has entered into non-disclosure agreements with vaccine developers with candidate vaccines undergoing Phase 3 clinical trials, in order to obtain the necessary scientific evidence and clinical data for detailed analysis by experts. As the clinical trials are ongoing, no definitive view as to which brand or type of vaccine we should place our bets on has been reached. The views of the Joint Scientific Committees and the Expert Advisory Panel to the Chief Executive will be sought before deciding on the purchases made under APAs. Furthermore, practical circumstances and constraints, such as logistics and storage, etc., will be taken into account.

Priority Groups

11. On the advice of the Joint Scientific Committees, priority in vaccination should be accorded to high-risk groups which bear greater risks of exposure to the COVID-19 virus and/or transmitting the virus to susceptible and

/vulnerable

³ A vaccine platform refers to a tool or technology that uses a base carrier which can be modularised with target antigenic components of pathogens such that the body can produce antibodies to fight against the said pathogen. There are mainly four types of vaccine platforms commonly used, namely non-replicating viral vector, inactivated virus, RNA/DNA and protein subunit.

vulnerable individuals. Priority is suggested to be accorded to healthcare workers; residents of residential care homes; Government frontline staff involved in health-related work; persons aged 60 years or above; and persons with chronic medical problems. The total priority population is estimated to be less than 3 million. The actual priority groups will be confirmed when more data on the efficacy and safety of specific vaccines for various subgroups of the population become available.

Financial Implications

12. Our current estimate is that a new non-recurrent commitment of \$8,441.3 **million** is required to be created for the procurement and administration of vaccines against COVID-19, which will be funded under Head 37 Department of Health Subhead 700 General non-recurrent. The key items are set out below. Detailed breakdown can be found **at Annex**.

- (a) joining COVAX with population coverage of 35% – estimated expenditure of \$461.5 million;
- (b) purchase of at least two different vaccines through APAs for the population of Hong Kong – estimated expenditure of \$5,047.5 million; and
- (c) implementation costs, including manpower and administrative costs – estimated expenditure of \$2,932.3 million.

Urgency

13. COVID-19 is a global pandemic which has infected 218 countries/territories/areas and resulted in over 923 000 deaths as at 15 September. According to WHO, the COVID-19 virus would stay with us until a safe vaccine or effective treatment becomes available. We expect that global competition will be extremely vigorous once an efficacious and safe vaccine emerges. Hence, there is an urgent need for us to take swift and proactive actions to reserve/procure potential vaccines in order to protect the well-being of Hong Kong citizens.

Implementation

14. We will make payment of the corresponding upfront commitment to Gavi by 9 October 2020. At the same time, we will continue to take forward our negotiations with individual vaccine developers for entering into suitable APAs as early as practicable.

Breakdown of Expenditure Items

(a) **Joining the COVAX Facility**

For budgeting purpose, and in the absence of any concrete pricing information at this stage, we have assumed that the requested 35% population coverage can be provided in full and we estimate that under a two-dose regime, the estimated total cost for joining COVAX is \$462 million, roughly representing an average cost per dose of vaccine under COVAX at around \$90¹. Actual cost per dose of vaccine may be higher or lower depending on the vaccines available and their prices under COVAX.

(b) **Purchases under Advance Purchase Agreements**

We will procure sufficient doses of at least two different candidate vaccines under Advance Purchase Agreements (APAs) to cover at least twice our population. For budgeting purpose, and in the absence of any concrete pricing information at this stage, we estimate that under a two-dose regime, the estimated total cost of vaccines to be procured through APAs is \$5,048 million, roughly representing an average cost per dose of vaccine under APAs at around \$170¹. Actual cost per dose of vaccine may be higher or lower depending on the vaccines available and their prices under APAs.

(c) **Implementation Cost**

The injection cost is estimated to be around \$150 per dose, which includes manpower and administrative costs. This estimate is made with reference to the manpower cost of other key vaccination programmes under the Department of Health, which ranges from \$100 to \$140 per dose, and an administration cost at around \$10 per dose. Under a two-dose regime, the estimated total injection cost is \$2,235 million.

We have also budgeted for other implementation costs including storage and transport, supplies and consumables, an information technology (IT) platform for registration and keeping of inventory and vaccination records, publicity and contingency funds as follows –

/Estimated

¹ This is an estimated average cost, and does not represent the actual purchase price to be paid to the manufacturer(s).

	Estimated cost (\$M)
(a) Storage and transport	32
(b) Supplies and consumables	29
(c) IT platform	76
(d) Publicity	10
(e) Contingency funds ²	550
Total	697

Total implementation cost is estimated to be \$2,932 million.

² 10% of total procurement cost for vaccines.

**Further Support to the Hospital Authority (HA)
in Combating the Winter Surge or the Next Wave of Epidemic**

Policy Bureau : Food and Health Bureau
Implementation : HA

Objective

It is our objective to provide additional resources for the HA to further enhance its capacity in preparation for further upsurge of cases in another wave of the Coronavirus Disease 2019 (COVID-19) epidemic.

Brief description

2. To prepare for the next wave of the epidemic which might coincide with the usual winter influenza season, it is proposed to allocate \$3,044 million (\$2,019 million in 2020-21 and \$1,025 million in 2021-22) to the HA to strengthen its service capacity through the establishment and/or operation of Community Treatment Facility (CTF) and a temporary hospital. The resources provided would also allow the HA to sustain its current anti-epidemic efforts and support for frontline healthcare staff.

3. The upsurge of cases in the third wave, with over 100 new cases reported for 12 consecutive days from mid-July to early August 2020, has put enormous pressure on our public hospital system. In response, the HA has adopted a number of measures to enhance service capacity, including the commencement of the Community Isolation Facility in Lei Yue Mun Park and Holiday Village which provides about 350 step-down isolation units, and the CTF with 500 beds in Hall 1 of AsiaWorld-Expo (AWE). With the measures and hardware facilities in place, the HA was able to arrange admission for confirmed patients timely. There is a need for the HA to prepare additional facilities to cope with potential surge in service demand in the next wave of the epidemic.

4. The HA's CTF in Hall 1 of AWE was commissioned on 1 August 2020, which provides triage of confirmed cases aged 18 to 60 and isolation for patients with mild symptoms who are in stable condition. The set-up of the expansion of CTF in Hall 2 of AWE, which could accommodate 400 beds,

/has

has now been completed and is on standby for activation if required. The Government is planning to further expand CTF to four other halls in AWE to provide about 1 000 additional beds.

5. In addition, to enhance the ability to handle another wave of the epidemic in the near future, the Government requested the assistance from the Central People's Government to construct a two-storey temporary hospital on a three hectare piece of land near AWE. The proposed temporary hospital will provide negative pressure wards that could accommodate over 800 beds.

Financial implications

6. Key components of the proposed enhanced support measures with indicative breakdown are listed below –

- (a) **\$1,683 million** for establishment and operation of the CTF in AWE for triage of confirmed cases and isolation for patients with mild symptoms who are in stable condition;
- (b) **\$613 million** for provision of treatment and care for COVID-19 patients at the temporary hospital to relieve the pressure on public hospitals;
- (c) **\$294 million** for procuring additional personal protective equipment for frontline staff providing services in the CTF and the temporary hospital; and
- (d) **\$454 million** for sustaining the existing anti-epidemic measures taken by the HA and ensure support for frontline healthcare staff.

Urgency

7. The HA has been deploying the \$4.7 billion allocation from the first round of the Anti-Epidemic Fund to strengthen capability of public hospitals and provide sufficient support and protection to its frontline healthcare staff to combat the COVID-19 epidemic.

8. As the next wave of the epidemic may co-occur with the winter influenza season, it is important for the HA to prepare and reserve additional isolation and treatment facilities, with corresponding manpower and operational support, for timely admission and treatment for patients.

/Implementation

Implementation

9. An allocation of **\$3,044 million** (\$2,019 million in 2020-21 and \$1,025 million in 2021-22) will be made to the HA upon approval of funding for the HA to implement the measures set out in paragraph 6 above to strengthen its service capacity for the next wave.

Special Support Scheme for the Hospital Authority's (HA) Chronic Disease Patients Living in the Guangdong Province to Sustain Their Medical Consultation under Coronavirus Disease 2019 (COVID-19) (the Support Scheme)

Policy Bureau : Food and Health Bureau
Implementation : HA/The University of Hong Kong – Shenzhen Hospital (HKUSZH)

Objective

To implement the Support Scheme to provide support for chronic disease patients who are unable to return to Hong Kong to receive their scheduled medical consultations in HA due to immigration restrictions under COVID-19.

Brief description

2. In accordance with the Compulsory Quarantine of Certain Persons Arriving at Hong Kong Regulation (Cap. 599C) and the compulsory quarantine measure imposed in Guangdong Province, all persons who travel between Guangdong Province and Hong Kong are subject to compulsory quarantine for 14 days on each side. Given the compulsory quarantine measures, some HA patients residing in Guangdong Province are unable to attend follow-up medical consultations in the HA to replenish their medications and return to the Mainland as they had done so previously. To address the situation, the HKSAR Government has since February 2020 introduced a special scheme to deliver prescription medications to affected Hong Kong residents staying in Guangdong. Nonetheless, the special scheme was only meant to be a stop-gap measure to address the medication replenishment issue. Without follow-up consultations by medical practitioners and professionals over six months, however, the health situation of the patients cannot be effectively monitored and taken care of accordingly.

3. We propose to appoint the University of Hong Kong – HKUSZH to take up follow-up consultation for those patients who have scheduled appointments by the HA's Specialist Outpatient Clinics (SOPCs) and General Outpatient Clinics (GOPCs) before the epidemic. Wholly managed by the University of Hong Kong, HKUSZH is a comprehensive public hospital which has a clinical governance structure similar to that of Hong Kong. The co-operation with HKUSZH is considered in the interest of the chronic disease patients residing in Guangdong who are in need of ongoing monitoring of their medical conditions.

4. Under the proposal, patients with appointments with the SOPCs and GOPCs of the HA would be eligible for regular general or specialist consultation sessions at HKUSZH up to July 2021 or until the lapse of the quarantine arrangement of both sides, whichever the earlier. In order to provide sustainable patient care, given the patients' consent, the HA would facilitate by sending the patients' record to HKUSZH and consult with the doctors concerned at HKUSZH on the patients' situation by phone. Holders of a re-appointment slip from the HA would pay a subsidized fee with a subsidy not exceeding that of the HA to its patients treated in Hong Kong.

Estimated number of beneficiaries

5. It is estimated that there are currently around 18 000 to 38 000 HA patients normally residing in Guangdong. For estimation purpose, it is assumed that a total of 28 000 patients who would have follow-up consultations with the HA will benefit from the Support Scheme.

Financial implications

6. Subject to discussion with HKUSZH, the preliminary estimate of the financial implication of this initiative is around **\$103.8 million**.

Urgency

7. Follow-up consultations by medical practitioners and professionals were not provided by the HA for its patients who normally reside in Guangdong Province over the past six months and the situation is likely to continue until the relevant immigration restrictions are removed. The proposed relief measure is considered necessary so that the health situation of these patients can be effectively monitored and timely intervened.

Implementation

8. Subject to approval of funding for the Support Scheme from the Finance Committee, the HA would discuss with HKUSZH on the details of the Support Scheme. With the implementation of the Support Scheme, the special scheme to deliver medications should cease.

Special Subsidy on Manpower Support for Residential Service Units and Home-based Care Service Units in respect of COVID-19 (the Special Subsidy)

Policy Bureau : Labour and Welfare Bureau (LWB)

Implementation : Social Welfare Department (SWD)

Objective

The purpose of the “Special Subsidy on Manpower Support” (the Special Subsidy) is to provide one-off grant to non-governmental organisations /operators running subsidised residential care services and subsidised home-based services for hiring temporary or relief workers or paying overtime work subsidy to their staff in order to maintain service delivery in case some of the existing staff cannot discharge duty due to COVID-19 infection or quarantine.

Brief description

2. The Special Subsidy is to facilitate subsidised residential service units¹ and subsidised home-based care service units² to hire temporary/relief staff and/or arrange staff deployment to work overtime to take over the duties of the staff members who are not able to return to work during the period from 1 July 2020 and 31 October 2020 due to (i) being in need of medical treatment as confirmed cases of COVID-19; or (ii) being identified as close contacts with confirmed cases put under compulsory quarantine, so as to maintain service operation and continually provide appropriate care service to the users.

3. Purely for estimate purpose, the amount of this Special Subsidy is based on the assumptions that not more than 10% of staff being not able to return to work due to the aforementioned reasons and the daily actual amount of Special Subsidy paid out should not exceed 1.5 times of the average daily salary of the “absent employee”.

/Financial

¹ Including residential service units subsidised by SWD; Residential Care Homes for the Elderly, Residential Care Homes for Persons with Disabilities, Drug Dependent Persons Treatment and Rehabilitation Centres licensed by SWD; as well as Residential Child Care Centres registered under SWD.

² Including Enhanced Home and Community Care Services, Integrated Home Care Services, Home Help Team, Home Care Service for Persons with Severe Disabilities and Integrated Support Service for Persons with Severe Physical Disabilities subsidised by SWD.

Financial Implication

4. The total amount of Special Subsidy required is estimated to be about **\$79 million** which will be deployed from the existing resources of the LWB.

Urgency

5. With the rapid increase in the number of confirmed cases in July 2020, a number of employees of residential service units and home-based care service units are absent from work due to being infected with COVID-19 or being put under compulsory quarantine due to being identified as close contacts with confirmed cases, resulting in shortage of manpower. There is an urgent and imminent need to provide the service units concerned with subsidy to ensure service users can continuously receive proper care services.

Implementation

6. The Special Subsidy is a one-off payment and provided on a reimbursement basis. Service units intending to apply for the Special Subsidy can submit applications to SWD on or before 31 December 2020. SWD will disburse the amount of the Special Subsidy after reviewing the actual circumstances of each application.

Ex-gratia Payment to Part-time Instructors/Staff/Personnel Affected by Cancellation of Sport & Recreation and Culture Programmes Organised by the Leisure and Cultural Services Department (LCSD)

Policy Bureau : Home Affairs Bureau

Implementation : LCSD

Objective

To redeploy \$63.9 million from LCSD's departmental savings to provide ex-gratia payment to –

- (a) Instructors/coaches/sports related personnel who are engaged by LCSD or National Sports Associations (NSAs) to conduct programmes either organised or subvented under the Sports Subvention Scheme by LCSD from 15 July to September 2020 that are cancelled due to closure of sports venues;
- (b) Speakers, storytellers and music course instructors who are engaged by LCSD to conduct programmes/courses from 15 July to September 2020 that are cancelled due to closure of LCSD public libraries and Music Office; and
- (c) Part-time ushers (PTUs) and part-time ticketing assistants (PTTAs) who are engaged by LCSD to provide services to programmes from 15 July to September 2020 that are cancelled due to closure of performance venues.

Brief description

2. In view of the worsening situation of the COVID-19 pandemic in the community, the Government adopted a series of social distancing measures to combat the virus. Due to the closure of the sports venues of LCSD, which is one of the social distancing measures, all the recreation and sports programmes and activities organized or subvented by LCSD had to be cancelled. To provide assistance to the instructors/coaches/sports related personnel who have already been engaged by LCSD or NSAs for the planned programmes, ex-gratia payment

/equivalent

equivalent to the full salary of the concerned personnel for services that would be delivered for the cancelled programmes which commenced/held from 29 January 2020 to 31 March 2020 was given to these instructors/coaches/sports related personnel. Similarly, ex-gratia payment were also given to speakers, storytellers as well as music course instructors who had already been engaged by the Hong Kong Public Libraries and the Music Office respectively for cancelled activities. LCSD has identified savings from departmental expenditure to fund the total payment of \$45.6 million.

3. Sports venues, libraries and performance venues were closed from 15 July 2020 due to the latest round of outbreak of COVID-19. Since the instructors/coaches/sport related personnel have already been engaged by LCSD or NSAs for the planned programmes in July, August and September 2020 and all sports venues have been ordered by the Government to close down since late July, we consider that there is a need to extend the scheme to provide 2/3 of the full salary of the concerned personnel on an ex-gratia basis for services that would be delivered for the cancelled programmes to be held or commenced from 15 July 2020 to 30 September 2020 so as to relieve their difficulties under the pandemic situation. The estimated amount of the ex-gratia payment to the instructors/coaches/sports related personnel is \$61.2 million for the cancelled programmes during this period.

4. Similarly, cultural venues are closed from 15 July until further notice whereas all activities of Hong Kong Public Libraries in August and September would be cancelled. Since speakers, storytellers as well as music course instructors have already been engaged by the Hong Kong Public Libraries and the Music Office respectively for planned activities from July to September 2020, we consider it a reasonable relief measure to extend the arrangement to provide 2/3 of the full salary to them on an ex-gratia basis for programmes cancelled. The estimated amount of the payment for cancelled programmes during the period is around \$1.3 million. The number of persons involved is around 270 and 170 for the public libraries and Music Office respectively.

5. Drawing reference from sports related staff of similar work nature who are included in the first batch of ex-gratia payment, we consider PTUs and PTTAs should also come under the same category of personnel for support as they have committed engagement with us prior to closure of performance venues. We propose to adopt a similar arrangement to cover the period from 15 July to 30 September 2020 involving around 800 PTUs and 30 PTTAs. The estimated amount of the payment is \$1.4 million. The estimated total payment to the culture related personnel concerned is \$2.7 million, i.e. \$1.3 million + \$1.4 million.

/Financial

Financial implications

6. LCSD has identified savings from departmental expenditure to fund the payment of **\$63.9 million** [\$61.2 million + \$2.7 million] . For the best utilisation of financial resources, we propose to redeploy \$63.9 million from this source to fill the funding gap of our present proposal.

Urgency

7. Due to the closure of sports and cultural venues of LCSD, all the recreation and sports as well as cultural programmes had to be cancelled. As the income of the concerned personnel was seriously affected, there is an urgent need to provide assistance for those concerned personnel to relieve their difficulties under the pandemic situation.

Implementation

8. LCSD will proceed to make the ex-gratia payment to the personnel concerned for the cancelled programmes. Separate application for the payment will not be required from the personnel concerned.

**Extending the Special Scheme of Assistance to the Unemployed
under the Comprehensive Social Security Assistance (CSSA) Scheme
for Six Months from 1 December 2020 to 31 May 2021**

Policy Bureau : Labour and Welfare Bureau

Implementation : Social Welfare Department (SWD)

Objective

It is our objective to provide timely and basic financial support for grassroots households, in particular those facing unemployment, to weather the deteriorating economic and employment conditions as a result of the prevailing COVID-19 pandemic.

Brief description

2. The CSSA Scheme has been serving as the safety net for those who cannot support themselves financially to meet their basic needs. This important function is particularly visible during economic downturns. While the CSSA Scheme continues to effectively perform its safety net function, having considered the unprecedented adverse impact of the COVID-19 pandemic on the economy, the Finance Committee of the Legislative Council approved on 18 April 2020 a commitment of \$3,520 million for the SWD to implement a Special Scheme of Assistance to the Unemployed. Under the scheme, the Government is implementing a six-month Special Scheme of Assistance to the Unemployed under the CSSA Scheme from June to November 2020 to enable early and basic assistance for the unemployed during such difficult times. Specifically, the asset limits applicable to able-bodied applicants/recipients have been increased or relaxed by 100% for six months with effect from 1 June 2020. For example, the asset limit for an able-bodied singleton applicant/recipient increases from \$33,000 to \$66,000 during this six-month period, while the asset limit for households with four-or-more able-bodied applicants/recipients is raised from \$88,000 to \$176,000. SWD processes the relevant applications according to the established arrangements. For instance, under the existing CSSA arrangements, the value of an owner-occupied residential property of households with able-bodied persons only will be disregarded for a grace period of 12 months. This facilitation arrangement also applies to applicants/recipients benefited under the six-month unemployment support.

3. In the past few months, there was a significant increase in CSSA applications. SWD received an average of 4 700 CSSA applications per month from January to August 2020, which represented a 54% increase as compared with the period from January to August 2019. As a matter of fact, the number of CSSA active cases involving mainly able-bodied recipients reached 46 405 in August 2020, which represented an 18% increase as compared with August 2019. Since the adverse impact of the COVID-19 on the economy has lasted for over half a year, it is expected that, even when the pandemic subsides, the depressing economic and employment conditions would continue for a certain period, affecting many vulnerable individuals and households in an unprecedented manner, in particular those being unemployed. Having regard to the above, the Government proposes to extend the time-limited Special Scheme of Assistance to the Unemployed for six months from 1 December 2020 to 31 May 2021, so as to maintain the short-term support for those able-bodied persons who are facing immediate financial difficulties due to loss of employment.

4. For financial planning purpose and having regard to the recent increasing trend of CSSA cases, it is roughly estimated that the extension of unemployment support under the CSSA Scheme for another six-month would approximately benefit an additional 12 000 households.

Financial implications

5. The total expenditure for the proposed extension of the time-limited special arrangement is estimated to be **\$724 million**. This includes an additional 56 staff for a six-month period to ensure smooth implementation of the proposal, as well as the provision of employment support services for the newly eligible able-bodied recipients. The said estimated expenditure will be met by the previously approved commitment under Head 170 SWD Subhead 700 General non-recurrent Item 809.

Urgency

6. Grassroots households are facing unemployment or a drastic drop of resources as a result of the rapidly deteriorating economic and employment conditions amid the continued COVID-19 pandemic. With the economic downturns expected to continue, it is necessary to extend this time-limited support measure to enable fast-track disbursement of funds to households in need as soon as practicable.

/Implementation

Implementation

7. Subject to the approval for the extension, the current CSSA asset limits for able-bodied applicant/recipients will continue in effect for another six months from 1 December 2020 to 31 May 2021, i.e. the CSSA asset limits will be restored to the original levels before the implementation of the Special Scheme of Assistance to the Unemployed starting from 1 June 2021.

Rental and Fee Concessions/Waivers

Policy Bureau : Financial Services and the Treasury Bureau

Implementation : All relevant Bureaux and Departments

Objective

The Government has rolled out a wide range of rental and fee concessions/waivers in the four rounds of helping measures launched in 2019, the 2020-21 Budget, and in tandem with the last round of injection into the Anti-epidemic Fund in April 2020. Our objectives are to sustain support for businesses and reduce their operating costs in face of the economic downturn.

Brief description

2. Specifically, we propose to –
 - (a) extend the existing 75% rental concession for eligible tenants of government premises, and 100% rental concession for tenants of premises that are closed, until 31 March 2021;
 - (b) extend the existing 75% rental or fee concession in respect of eligible short-term tenancies and waivers administered by the Lands Department, and 100% concession for those that are closed, until 31 March 2021;
 - (c) extend the waivers of 27 groups of government fees and charges for 12 months from October 2020 progressively;
 - (d) extend the 75% concession of water and sewage charges payable by non-domestic users for another four months from 1 December 2020 to 31 March 2021, subject to a monthly cap of \$20,000 and \$12,500 respectively per meter;
 - (e) waive seven additional groups of government fees and charges for 12 months from October 2020; and

/(f)

- (f) extend the fee review moratorium on government fees and charges set on a cost recovery basis for one more year until 31 December 2021.

Financial implications

- 3. The above rental and fee concession/waiver measures will benefit a wide range of businesses in different sectors, and reduce government revenue by about **\$3.5 billion**.

Urgency

- 4. In view of the cash flow strain that many affected sectors are facing, the extensions set out in paragraph 2 above should be implemented in a timely manner to ensure seamless support and the new measures should take effect as soon as possible to tide them over this difficult period.

Implementation

- 5. The Government will implement measures set out in paragraphs 2(a), (b) and (f) above administratively, and the relevant bureaux/departments will inform the beneficiaries accordingly. For the measures in paragraphs 2(c) to (e) above involving statutory fees and charges, we will implement them by way of subsidiary legislation as soon as possible.
