

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

Members are invited to approve an increase in commitment by \$6.4 billion from \$155.9 billion to \$162.3 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 various relief measures targeted at eligible individuals and businesses hard hit by the coronavirus disease-2019 pandemic.

PROBLEM

The further tightening of social distancing measures in response to the recent resurgence of coronavirus disease-2019 (COVID-19) in Hong Kong has dealt a severe blow to some sectors. We need to provide further relief to businesses and individuals in these hard hit sectors.

PROPOSAL

2. We propose to inject \$6.4 billion into the Anti-epidemic Fund (AEF) to provide further relief to businesses and individuals hard hit by the further tightening of social distancing measures in response to the recent resurgence of COVID-19 in Hong Kong.

/JUSTIFICATION

JUSTIFICATION

Latest developments

3. COVID-19 has wreaked havoc since early 2020. The global pandemic situation has deteriorated, with the number of cases increasing to more than 71.4 million and the number of deaths reaching 1.61 million. Governments around the world have imposed various anti-epidemic measures in a bid to curb the spread of COVID-19, such as various social distancing measures and travel restrictions.

4. The situation in Hong Kong is no less acute. Recently, Hong Kong has seen a spike in cases, with confirmed cases mostly being local ones. The total number of confirmed cases has increased to 7 722 as at 15 December 2020. The daily number of confirmed cases exceeded 100 on several days since late November, representing another peak since the surge in cases in July and August. The seven-day average of local cases of unknown sources also drastically increased from the low level of 0.3 on 1 November to 32.7 on 15 December. The trend is particularly worrying as this coincides with the winter influenza season and there are more serious cases in the younger population.

5. In response to the recent development of the epidemic, the Government has tightened various anti-epidemic measures. For instance, the Government has imposed further requirements and restrictions on catering businesses. Most scheduled premises regulated under the Prevention and Control of Disease (Requirements and Directions) (Business and Premises) Regulation (Cap. 599F), such as fitness centres, beauty parlours and sports premises, are also required to close with effect from 10 December 2020. Other social distancing measures, such as prohibition of group gatherings of not more than a certain number of persons in public places, remain in force with a reduced number of persons allowed in each such group gathering.

Need for relief

6. In response to the current spike in cases, various restrictions need to be imposed at short notice so as to prevent large-scale outbreaks in a timely manner. While the Government recognises that many businesses and individuals have done their part in practising anti-epidemic measures since the onset of COVID-19, the severity of the situation has required the Government to impose even more stringent restrictions. Business operators may have been left with minimal time to adapt to the evolving situation. In addition, this wave of the epidemic takes place in the

/lead-up

lead-up to the Christmas and New Year festive seasons, dampening consumption and undermining businesses in a traditionally peak season. The pain is felt most acutely by sectors directly affected by the further tightened social distancing measures and closure of the scheduled premises. There is a genuine need to provide additional relief to the affected businesses and individuals.

A difficult balance

7. In considering the calls from various sectors of the community on the Government to provide additional relief, we are mindful of the strain that any further relief package may pose to Hong Kong's public finance. To date, we have committed over \$300 billion, equivalent to about 11% of Hong Kong's GDP, through the three rounds of AEF injection and the implementation of the relief measures announced in the 2020-21 Budget. The level of fiscal reserves is forecast to drop to some \$800 billion by the end of the financial year, equivalent to around 12-13 months' government spending. The deficit of the Government's budget is expected to reach over \$300 billion in the 2020-21 financial year, which is a record high. It is imperative that we exercise fiscal prudence and maintain a healthy level of fiscal reserves amid the uncertainties surrounding COVID-19 so that there will be room for meeting both known and unforeseen needs.

8. Having regard to the above, the Government considers it necessary and appropriate to adopt a more targeted approach in providing further relief, and cater for businesses and individuals directly affected by the further tightening of social distancing measures. In other words, we focus on sectors whose operations are severely constrained or practically ground to a halt owing to significant or complete closure as a result of the Government's anti-epidemic restrictions. We recognise fully that this targeted approach cannot benefit business and individuals in many other sectors of the community who also suffer from the pandemic outbreak and the resultant social distancing measures. In reality, the damages inflicted by COVID-19 are so wide-ranging that no measure can relieve completely. It is incumbent on the Government to deploy finite public resources responsibly to help those most in need. Even more importantly, the whole community must unite in our fight against COVID-19, so that life can return to normal and businesses can resume as soon as possible.

Relief measures

9. Based on the aforementioned approach, the specific measures to be funded by the further round of injection into AEF are set out below. Details are at

Encl. A

Enclosure A.

/(a)

- Encl. A1 (a) Catering Business Subsidy Scheme – To provide financial relief to catering outlets carrying on a business to sell or supply food for consumption on their premises whose business has been hard hit by the tightened social distancing measures imposed by the Government. Details are set out at Enclosure A1;
- Encl. A2 (b) Subsidy Scheme for Beauty Parlours, Massage Establishments and Party Rooms (Third Round) – To provide further financial relief to operators of beauty parlours, massage establishments and party rooms whose business has been directly affected by the tightened social distancing measures imposed by the Government. Details are set out at Enclosure A2;
- Encl. A3 (c) One-off relief grant to providers of catering services for schools as well as post-secondary education institutions, interest classes, and school bus services for schools – To provide further relief to these service providers as their operation and income have been severely affected by the suspension of face-to-face classes/half-day schooling and cessation of on-campus activities. Details are set out at Enclosure A3;
- Encl. A4 (d) Support for child care centres (CCCs) – To provide additional relief to aided and non-aided CCCs in view of the further suspension of service and the resultant financial hardship inflicted on them. Details are set out at Enclosure A4;
- Encl. A5 (e) Fitness Centre and Sports Premises Subsidy Scheme – To provide financial relief to operators of fitness centres and sports premises whose business has been directly affected by the tightened social distancing measures imposed by the Government. Details are set out at Enclosure A5;
- Encl. A6 (f) One-off grant to kindergartens and private schools – To alleviate their financial hardship arising from the further suspension of face-to-face teaching. Details are set out at Enclosure A6;
- Encl. A7 (g) One-off grant to private schools offering non-formal curriculum (generally referred to as “Tutorial Schools”) – To provide additional financial relief to tutorial schools as their operation and income have been severely affected by the further suspension of face-to-face classes and cessation of on-campus activities. Details are set out at Enclosure A7;

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- Encl. A8 (h) 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 tightened social distancing measures imposed by the Government. Details are set out at Enclosure A8;
- Encl. A9 (i) One-off grant to registered sports coaches – To provide a further grant to registered coaches under the “National Sports Associations” and Sports Organisations^{Note} whose coaching services have ceased or very significantly affected owing to the recent closure of public sports venues and tightened social distancing measures. Details are set out at Enclosure A9;
- Encl. A10 (j) Scheme on Relief Grants for Interest Class Instructors Hired by Subvented Non-governmental Welfare Organisations – To provide additional relief to eligible interest class instructors who have lost their income owing to suspension of services as a result of the tightened social distancing measures imposed by the Government. Details are set out at Enclosure A10;
- Encl. A11 (k) Arts and Culture Sector Subsidy Scheme – Subsidy to individual arts practitioners and freelancers – To provide further financial assistance to individual arts practitioners and freelancers whose living has been seriously affected as a result of the closure of performance venues among tightened social distancing measures imposed by the Government. Details are set out at Enclosure A11;
- Encl. A12 (l) Ex-gratia payment to part-time instructors/staff/personnel affected by cancellation of sports & recreation and culture programmes organised by the Leisure and Cultural Services Department – To provide ex-gratia payment to the part-time instructors/staff/personnel who have already been engaged by LCSD for the planned recreation and sports as well as cultural programmes but with the programmes recently cancelled as a result of tightened social distancing measures imposed by the Government. Details are set out at Enclosure A12;
- Encl. A13 (m) Places of Public Entertainment Licence (PPEL) Holder Subsidy Scheme – To provide further financial relief to PPEL licence holders whose business has been directly affected by the tightened social distancing measures imposed by the Government. Details are set out at Enclosure A13;

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^{Note} Refers to sports organisations that are receiving subvention (project basis) from the Leisure and Cultural Services Department's Sports Subvention Scheme.

- Encl. A14 (n) Amusement Game Centres Subsidy Scheme – To provide further financial relief to amusement game centre operators whose business has been directly affected by the tightened social distancing measures imposed by the Government. Details are set out at Enclosure A14;
- Encl. A15 (o) Cinemas Subsidy Scheme – To provide one-off subsidy to existing licensed cinemas with commercial operation in November 2020 as their business has been directly affected by the tightened social distancing measures imposed by the Government. Details are set out at Enclosure A15;
- Encl. A16 (p) Sports and Recreational Sites Subsidy Scheme – To provide financial relief to operators of sports and recreational facilities on sites granted by the Government whose business has been directly affected by the tightened social distancing measures imposed by the Government. Details are set out at Enclosure A16;
- Encl. A17 (q) 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 tightened social distancing measures imposed by the Government. Details are set out at Enclosure A17;
- Encl. A18 (r) 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 tightened social distancing measures imposed by the Government. Details are set out at Enclosure A18; and
- Encl. A19 (s) Further subsidy to commercial bathhouses – To provide financial relief to the operators of commercial bathhouses whose business has been hard hit by the tightened social distancing measures imposed by the Government. Details are set out at Enclosure A19.

FINANCIAL IMPLICATIONS

10. We propose to inject a total of \$6.4 billion into AEF to implement the following measures –

/Descriptions

	Descriptions	Estimated Expenditure (\$ million)
(a)	Catering Business Subsidy Scheme (Encl. A1)	3,400
(b)	Subsidy Scheme for Beauty Parlours, Massage Establishments and Party Rooms (Third Round) (Encl. A2)	700
(c)	One-off relief grant to providers of catering services for schools as well as post-secondary education institutions, interest classes and school bus services for schools (Encl. A3)	362
(d)	Support for CCCs (Encl. A4)	260
(e)	Fitness Centre and Sports Premises Subsidy Scheme (Encl. A5)	190
(f)	One-off grant to kindergartens and private schools (Encl. A6)	135
(g)	One-off grant to private schools offering non-formal curriculum (Encl. A7)	108
(h)	Club-house Subsidy Scheme (Encl. A8)	80
(i)	One-off grant to registered sports coaches (Encl. A9)	75
(j)	Scheme on Relief Grants for Interest Class Instructors Hired by Subvented Non-governmental Welfare Organisations (Encl. A10)	45
(k)	Arts and Culture Sector Subsidy Scheme – Subsidy to individual arts practitioners and freelancers (Encl. A11)	40
(l)	Ex-gratia payment to part-time instructors/staff/personnel affected by cancellation of sports & recreation and culture programmes organised by the Leisure and Cultural Services Department (Encl. A12)	36

Descriptions	Estimated Expenditure (\$ million)
(m) PPEL Holder Subsidy Scheme (Encl. A13)	28
(n) Amusement Game Centres Subsidy Scheme (Encl. A14)	24
(o) Cinemas Subsidy Scheme (Encl. A15)	21
(p) Sports and Recreational Sites Subsidy Scheme (Encl. A16)	8
(q) Mahjong/Tin Kau Licence Holder Subsidy Scheme (Encl. A17)	7
(r) Places of Amusement Licence Holders Subsidy Scheme (Encl. A18)	6
(s) Further subsidy to commercial bathhouses (Encl. A19)	5
<i>Sub-total</i>	5,530
15% contingency to meet any unforeseen needs within the approved remit of AEF in view of the volatility of the latest pandemic situation	830
Total	6,360
Say	6,400

11. The total quantum of the above package, as compared to that in the previous injections, reflects the current focus on relief measures for targeted sectors hard hit by the Government's further tightening of social distancing measures. In previous injections, the package encompassed a wider range of initiatives, including job retention, creation and advancement measures, which seek to provide relief on a broader basis to different segments in society. There were also measures which sought to enhance our capability to combat COVID-19 (such as funding to meet the needs of the Hospital Authority and quarantine facilities). The current more focused approach has enabled us to provide a higher level of subsidy for the targeted sectors in the current round when compared to the last round of injection in September 2020, taking into account the circumstances as described in paragraph 6 above. Using the same coverage as the basis of comparison, the total quantum of this round of subsidy is substantially higher than that of the last round.

/PUBLIC

PUBLIC CONSULTATION

12. COVID-19 has caused prolonged, extensive impacts on all sectors of the community. As mentioned above, this round of injection focuses on providing relief to targeted sectors hard hit by the further tightening in social distancing measures imposed by the Government. We expect that the public will generally welcome the measures, although there may be concerns about the adequacy of individual measures and their implementation details. Bureaux and departments will take into account past experience obtained in implementing AEF initiatives and will endeavour to launch the measures as early as possible.

BACKGROUND

13. 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 and 28 September 2020, FC approved a further injection of \$120.5 billion and \$5.4 billion respectively into the AEF. In the 2020-21 Budget, the Financial Secretary announced a whole range of relief measures involving about \$120 billion to support enterprises and relieve people's burden.

14. As at 27 November 2020, the AEF has committed a total of over \$150 billion out of the \$155.9 billion approved by FC, involving 100 measures. A total of 35 measures have been completed while the rest are in progress. The latest Progress Report of AEF was submitted to the Legislative Council on 6 November 2020, reflecting implementation progress as at 9 October 2020.

15. In addition, to sustain support for businesses and reduce their operating costs in face of the economic downturn, the Government has rolled out a wide range of rental and fee waivers/concessions alongside the previous rounds of AEF injection. These waivers/concessions are still on-going. The total revenue forgone is about \$5 billion.

16. As announced in the 2020 Policy Address, the Government will roll out additional relief measures for the tourism industry. The measures will benefit travel agents and their staff, freelance accredited tourist guides and tour escorts whose main occupations are tourist guides and tour escorts, and drivers of tour service coaches mainly serving tourists. The amount involved is \$564 million.

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

Relief Measures

Enclosure

- A1 Catering Business Subsidy Scheme
- A2 Subsidy Scheme for Beauty Parlours, Massage Establishments and Party Rooms (Third Round)
- A3 One-off Relief Grant to Providers of Catering Services for Schools as well as Post-secondary Education Institutions, Interest Classes, and School Bus Services for Schools
- A4 Support for Child Care Centres
- A5 Fitness Centre and Sports Premises Subsidy Scheme
- A6 One-off Grant to Kindergartens and Private Schools
- A7 One-off Grant to Private Schools Offering Non-formal Curriculum (Generally Referred to as “Tutorial Schools”)
- A8 Club-house Subsidy Scheme
- A9 One-off Grant to Registered Sports Coaches
- A10 Scheme on Relief Grants for Interest Class Instructors Hired by Subvented Non-governmental Welfare Organisations
- A11 Arts and Culture Sector Subsidy Scheme – Subsidy to individual arts practitioners and freelancers
- A12 Ex-gratia Payment to Part-time Instructors/Staff/Personnel Affected by Cancellation of Sports & Recreation and Culture Programmes Organised by the Leisure and Cultural Services Department
- A13 Places of Public Entertainment Licence Holder Subsidy Scheme

- A14 Amusement Game Centres Subsidy Scheme
- A15 Cinemas Subsidy Scheme
- A16 Sports and Recreational Sites Subsidy Scheme
- A17 Mahjong/Tin Kau Licence Holder Subsidy Scheme
- A18 Places of Amusement Licence Holders Subsidy Scheme
- A19 Further Subsidy to Commercial Bathhouses

Catering Business Subsidy Scheme

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

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 has been hard hit by the Coronavirus Disease 2019 (COVID-19) and the tightened social distancing measures imposed by the Government since late November 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 COVID-19 pandemic and is facing a difficult business environment. With funding approval by Finance Committee (FC) in February, April and September 2020 respectively, FEHD has disbursed, as at mid-December 2020, subsidies of over \$9 billion to eligible food premises out of the Anti-epidemic Fund, under the relevant subsidy schemes.

3. The epidemic situation of COVID-19 in Hong Kong has become severe again since the second half of November 2020. The Government decided, among other things, to further tighten 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

Regulation (Cap.599F). Adjustment to these measures¹ has since been made with regard to the development of the epidemic. In particular, nightclubs and bars/pubs and karaoke establishments (which are concurrently holding a food licence) were required to close their premises with effect from 26 November 2020 or 2 December 2020 as the case may be. Dine-in services of catering businesses in the evening were required to cease with effect from 10 December 2020.

4. The catering businesses selling or supplying food for consumption on their premises are hard hit by the epidemic and the latest rounds of tightened social distancing measures. To provide further financial relief to help these operators tide over the difficult period, we propose to offer a one-off subsidy 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) 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.

5. Each eligible holder of the four types of relevant food licences in operation will be provided with a one-off subsidy² according to the licensed area of its premises as set out in the table below –

/Licensed

¹ The social distancing measures in force as at 10 December 2020 include (a) no dine-in service for catering business is allowed from 6pm to 4:59am; (b) the number of customers at the premises at any one time must not exceed 50% of the normal seating capacity of the premises; (c) 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; (d) no more than two persons are to be seated together at one table; (e) a person must wear a mask at any time within any catering premises except when the person is consuming food or drink at a table therein; (f) body temperature screening on a person must be conducted before entry to the premises; and (g) hand sanitisers must be provided at the premises.

² 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.

Licensed area	Level of subsidy (to be disbursed in two equal tranches)
Not exceeding 100 m ²	\$100,000
>100 m ² – 200 m ²	\$200,000
>200 m ² – 400 m ²	\$300,000
>400 m ² – 700 m ²	\$400,000
>700 m ²	\$500,000

6. Each eligible catering outlet directed to close the whole of its licensed premises, including karaoke establishments, nightclubs and bars/pubs, is eligible for another one-off subsidy of \$50,000 in addition to the subsidy in paragraph 5. Total subsidy may range from \$150,000 to over \$550,000 depending on its licensed area and business nature.

7. 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 \$50,000³.

8. 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

9. The total amount of subsidy involved is approximately **\$3,400 million**.

Urgency

10. 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 laid off.

/Implementation

³ These operators have been benefitting from rental concessions or licence fee waivers separately provided by the Government or other agency as appropriate.

Implementation

11. Upon funding approval by FC, FEHD will invite applications from eligible catering outlets within about one week, with a target of disbursing the first tranche and relevant subsidy within around two weeks from receiving their applications. The second tranche subsidy is payable upon successful applicants' confirmation of their business operation in February 2021.

12. FEHD will also invite applications from eligible cooked food/light refreshment stall operators within about one week from funding approval by FC, with a target of disbursing subsidy within about two weeks from receiving their respective applications.

Subsidy Scheme for Beauty Parlours, Massage Establishments and Party Rooms (Third 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

We aim to provide financial relief to operators of beauty parlours, massage establishments and party rooms whose business has been directly affected and hard hit by the tightened social distancing measures imposed by the Government.

Brief description

2. The Government ordered party rooms and beauty parlours/massage establishments to suspend business from 22 November 2020 and from 10 December 2020 respectively. To render some financial relief to these affected operators, it is proposed that a one-off tiered subsidy (at \$30,000, \$60,000 and \$100,000) 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 \$3 million for each beauty/massage chain. In addition, a one-off subsidy at \$40,000 is proposed to be provided to each affected party room.

3. In line with the arrangement for the previous two rounds of the scheme for these operators, we will continue to rely on an online system to collect applications for the third round of the scheme. Eligible beauty parlours or massage establishments which have successfully applied under the second round of the scheme will not be required to submit fresh applications. They will need to confirm on the online system that their business information and number of staff returned in the previous round of application remain unchanged and that their businesses are still in operation. On this basis, we will deem these premises to continue to be eligible for the subsidy and grant the appropriate level of subsidy according to the number of staff in our previous approval records. Businesses which have not successfully applied for the subsidy in the second round or new businesses which

/have

have never applied for the subsidy, 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 second round of the scheme, it is estimated that around 11 000 beauty parlours and massage establishments and 500 party rooms may benefit under the third round.

Financial implications

5. The estimated total amount of subsidies involved is around **\$700 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.

Implementation

7. The Human Resources Planning and Poverty Co-ordination Unit under the Chief Secretary for Administration's Office will implement the Scheme. We aim to receive applications within a month after funding approval has been secured.

One-off Relief Grant to Providers of Catering Services for Schools¹ as well as Post-secondary Education Institutions (PSEIs)², 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 as well as post-secondary education institutions (PSEIs), interest classes, and school bus services for schools, as their services and income have been severely affected by the suspension of face-to-face classes/half-day schooling and cessation of on-campus activities.

Brief description

2. Further suspension of face-to-face classes/half-day schooling and cessation of on-campus activities for schools and PSEIs due to the worsening epidemic situation 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 the financial burden on these service providers, 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 (approximately 750 outlets for primary and secondary schools and 160 outlets for PSEIs) –

/(i)

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

² PSEIs 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 the suspension of face-to-face classes and on-campus activities at schools and PSEIs.
 - (ii) Proposal: a one-off relief grant of \$80,000 to each outlet provided that the outlet has not applied for a relief grant under any other scheme in the current round of injection into the AEF.
- (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 the suspension of face-to-face classes/half-day schooling and cessation of on-campus activities.
 - (ii) Proposal: for each provider, a one-off relief grant of \$10,000 per school the provider is serving.
- (c) School bus drivers, school private light bus drivers and escorts (commonly called “nannies”) (approximately 3 000 school bus drivers, 2 200 school private light bus drivers and 4 800 escorts) –
- (i) School bus drivers, school private light bus drivers and escorts are forced to stop working during the suspension of face-to-face classes 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 this period. 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) Proposal: A one-off relief grant of \$10,000 for each school bus driver and school private light bus driver and \$10,000 per vehicle for escorts provided that he/she has not applied for

/relief

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 schemes for food licence holders in the previous rounds of the Anti-epidemic Fund (AEF).

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 AEF injection (\$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 period of half-day schooling/suspension of face-to-face classes and activities.

relief grant under any other schemes in the current round of injection into the AEF. 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 \$20,000 per CBSC will be provided for eligible escorts, and the maximum amount of subsidy for each escort is \$10,000.

- (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 24 000) –
 - (i) All the services provided by them have come to a stop with the suspension of face-to-face classes and cessation of on-campus activities. Hence, they have lost most of their income from the related service/tuition fees.
 - (ii) Proposal: A one-off relief grant of \$7,500 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 schemes in the current round of injection into the AEF.

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

Financial implications

3. The total expenditure is estimated to be about **\$362 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	60
(ii)	catering outlets for PSEIs	12.8
(iii)	lunchbox providers	9
(iv)	school bus drivers, school private light bus drivers and escorts	100
(v)	instructors, coaches, trainers and operators of interest classes engaged by schools	180

Urgency

4. There is urgency to provide financial support to the aforementioned service providers in view of their cash flow strain due to the loss of income following the further suspension of face-to-face classes 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 context of the third round of AEF injection, with which the service providers, operators and schools are familiar, and will streamline the same as appropriate.

6. 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

Objective

It is our objective to provide additional financial relief to aided and non-aided child care centres (CCCs) to tide over their financial difficulties arising from the further suspension of service in light of the development of the Coronavirus Disease 2019 pandemic.

Brief description

2. Two rounds of special grants were provided under Anti-epidemic Fund (AEF) for CCCs to sustain their operation in the face of the financial hardship encountered during the epidemic. The first round of special grant covered four months, from February to May 2020. All aided and non-aided CCCs [including standalone CCCs and those attached to kindergartens (KG-cum-CCCs)] over the territory were invited to apply for the special grant. 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. The grant was provided at the rate of \$4,000 per full-day enrolment per month and \$2,000 per half-day enrolment per month. A total of \$245.8 million special grant for four months were disbursed to the applicant CCCs, including 257 aided CCCs and 294 non-aided CCCs.

3. A second round of cash grants under the third round of AEF injection has been provided for CCCs to assist them to sustain their operation during the period from September to December 2020. As CCCs were entitled to apply for assistance from the Employment Support Scheme (ESS) featured in the second round of AEF injection which could cover part of the staff cost from June to November 2020, the grant was set at half the rate they received from the first round of special grants previously received from February to May 2020. For those CCCs which have not applied for the first round of special grants or only commenced operation after 15 January 2020, the grant was based on the number of children enrolled as at 5 October 2020 and at half the rate under the first round of special grants. Special grants totalling \$122.65 million for four months were disbursed to 547 CCCs, including 258 aided CCCs and 289 non-aided CCCs.

4. The enrolment of the CCCs was unstable upon the gradual resumption of CCC service in late September 2020 as many parents have chosen to observe the development of the epidemic and delayed their children's admission to the service in the new school year. With further suspension of service in November 2020, some parents have abandoned their plan to have their children admitted to the service in this school term and some have withdrawn their children from the CCCs. With the significantly reduced income from the service fees and the completion of the ESS in November 2020 while the special grants received in the past months have been nearly exhausted, CCCs are facing financial difficulty to sustain their operation. To help CCCs tide over the financial hardship, we propose a third round of cash grants for CCCs. The grant will be set at the same amount provided to each CCC under the first round. Those CCCs which have not applied for the previous two grants under AEF, or have only commenced operation after September 2020 may apply in this round with the enrolment as at November 2020 captured as reference. The grant will be set as the same of the rate in the first round of special grants, i.e. \$4,000 per full-day enrolment per month and \$2,000 per half-day enrolment per month.

Financial implications

5. We propose that allocation of **\$260 million** including about 5% of funding buffer be reserved for four months covering the period from January to April 2021.

Urgency

6. 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 even after the service resumption in late September 2020. CCCs may not be able to survive without imminent assistance. 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

7. 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 in one month after receiving the applications.

Fitness Centre and Sports Premises Subsidy Scheme

Policy Bureau : Home Affairs Bureau (HAB)

Implementation : HAB

Objective

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

Brief description

2. “Fitness Centres” 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 whereas “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).

3. The fitness centres and sports premises have been directly affected by the epidemic. Their operation has been suspended with the introduction of requirements and restrictions imposed by the directions issued under Cap. 599F with effect from 10 December 2020.

4. To provide financial relief to the operators, we propose to provide a one-off subsidy of \$100,000 to each affected fitness centre and sports premises.

Financial implications

5. There is no licensing regime for fitness centre and sports premises. With reference to the “Fitness Centre Subsidy Scheme” and “Sports Premises Subsidy Scheme” launched in the context of the third round of injection into the Anti-epidemic Fund, the number of eligible fitness centres and sports premises are about 1 660 and 200 respectively. The total amount of subsidy involved is around **\$190 million**.

/Urgency

Urgency

6. The operation of the fitness centres and 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

7. Subject to funding approval, HAB will invite applications from eligible fitness centres and sports premises in mid-January 2021 and disburse the subsidies to the applicants within about 30 days upon receipt of completed applications forms and supporting documents.

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 further suspension of face-to-face teaching due to the latest development of Coronavirus Disease 2019(COVID-19) pandemic.

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. In the 2020/21 school year, although all schools resumed classes by phases starting from 23 September 2020, the situation of the COVID-19 epidemic has worsened again, causing all KGs and primary and secondary schools (including special schools and schools offering non-local curriculum) to suspend face-to-face classes and school activities since 14 November and 2 December 2020 respectively, until the beginning of school Christmas holidays. Students continue to learn at home during the period. We understand from schools that some parents have refused to pay school fees as they consider the support received from schools for learning at home was not comparable to that for face-to-face schooling. Some parents have even withdrawn their children from schools. In response, some schools have reduced school fees for all students and/or waived school fees for some students. For KGs joining the KG education scheme (Scheme-KGs), withdrawal of students will lead to serious financial loss as government subsidy is based on enrolment.

3. On the other hand, 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

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

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, EDB offered them a one-off grant at rates ranging from \$60,000 to \$160,000 in March/April and provided them with another round of one-off grant ranging from \$30,000 to \$80,000 under the Anti-epidemic Fund in October/November 2020 depending on their sizes and types.

4. To further alleviate the financial difficulties of KGs and private schools, we propose to offer a one-off grant for KGs and private primary and secondary day schools at the rate ranging from \$60,000 to \$160,000 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	\$120,000
• More than 33 students	\$160,000
Scheme-KGs with whole day session ² :	
• 33 or less students	\$100,000
• More than 33 students	\$140,000
Scheme-KGs (half day) only	\$60,000
Non-Scheme KGs	\$80,000
(ii) Private primary and secondary day schools	\$80,000

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

Financial implications

6. The total expenditure is estimated to be about **\$135 million**.

Urgency

7. 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

8. No application is required. EDB will disburse the subsidy to schools in about one month after obtaining the funding.

**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 additional 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 by the further suspension of face-to-face classes and cessation of on-campus activities implemented in schools in the light of the latest development of the Coronavirus Disease 2019 epidemic.

Brief description

2. PSNFCs are registered by EDB under the Education Ordinance. During the suspension of face-to-face classes 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 \$40,000 to each PSNFC which has been registered under the Education Ordinance and 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 2 700 PSNFCs.

/Financial

Financial implications

4. The total expenditure is estimated to be about **\$108 million**.

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 is targeted to disburse the funding in about one month upon receipt of fully completed application forms.

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 further 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 tightened social distancing measures recently 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 26 November 2020 due to drastic change of the epidemic situation. The operation and businesses of club-houses have thus been seriously affected by the epidemic.

4. To provide immediate financial relief to the operators of club-houses, we propose to provide a subsidy of \$100,000 to around 580 holders of CoC issued under the Clubs (Safety of Premises) Ordinance (Cap. 376), plus a further subsidy

of \$50,000 to those who also operate karaoke establishment¹, nightclub or bar/pub² in their club-houses.

Financial implications

5. The total amount of subsidy involved is around **\$80 million**.

Urgency

6. The operation of club-houses has been hard hit by the epidemic and social distancing measures recently 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.

¹ As at 30 November 2020, there are 26 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 30 November 2020, there are altogether 406 such licences issued to club-houses.

One-off Grant to Registered Sports Coaches

Policy Bureau : Home Affairs Bureau
**Implementation : Leisure and Cultural Services Department (LCSD)
and National Sports Associations (NSA)/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, a similar subsidy was provided in the context of the second and third rounds of injection into the Anti-epidemic Fund (AEF), with the level of subsidy pitched at \$7,500 and \$5,000 respectively for eligible sports coaches fulfilling the following criteria –

- (a) who are registered under NSAs or recognized SOs; and
- (b) who have been coaching in the past year (1 April 2019 to 31 March 2020 in the context of the second round of AEF injection and 1 April 2019 to 30 September 2020 in the context of the third round of AEF injection).

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 in the context of the second and third rounds of AEF injection .

/4.

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

4. 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 in the context of the second round of AEF injection. The application period of the scheme in the context of the second round of AEF injection was 15 May to 15 June 2020. After closing of the application, 11 252 applications were received, 8 496 and 2 756 applications were approved and rejected² respectively, and \$63.72 million has been disbursed.

5. Based on the actual number of beneficiaries under the scheme implemented in the context of the second round of AEF injection, plus the estimation of a small number of registered sports coaches who have started coaching after 31 March 2020 when LCSD re-opened the venues in end April, a total of \$45 million was approved in the context of the third round of AEF injection for 9 000 registered sports coaches (9 000 x \$5,000). The application period of the scheme under the third round of AEF injection was from 9 October to 30 November. As at 11 December, 8 106 and 263 applications were approved and rejected respectively, 1 791 applications were still under processing, and \$40.53 million has been disbursed.

6. Whilst the sports and recreational facilities of LCSD started to resume service gradually since mid-September 2020, in view of the situation of COVID-19 in late November, further measures to maintain social distancing was implemented and LCSD facilities were temporarily closed again starting from 2 December by phases until further notice. As many sports coaches rely heavily on LCSD venues (e.g. swimming pools, ball courts, sports grounds etc.) to conduct their coaching, income of sports coaches have been seriously affected as they have to cease their coaching activities. To provide further support to sports coaches, we propose to provide grant of \$7,500 to those sports coaches who are eligible for the scheme under the third round of AEF injection (estimated at around 9 000 sports coaches). It is estimated that \$67.5 million will be required.

7. In addition, due to the suspension of school classes, some registered sports coaches who have applied the grant under EDB's Scheme as mentioned in paragraph 3 above may choose to apply the fund through LCSD, resulting in an overwhelming response in the second phase of the Scheme³. As such, it is anticipated that the additional number of beneficiaries in the new round of Scheme

/including

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 As of 11 December, LCSD received and vetted around 1 970 and 1 120 new applications. Among the vetted applications, about 20% received the grant from EDB or SWD under the second round of AEF injection.

including those school coaches who would choose to apply the fund through LCSD and some newly registered sports coaches who have started coaching after 30 September would be around 1 000. It is proposed that these coaches should also be eligible for the support and the same amount of grant of \$7,500 be provided to these coaches. It is estimated that around \$7.5 million will be required for the purpose.

Financial implications

8. The financial implication for providing grant again to around 10 000 eligible sport coaches, with \$7,500 per coach, under the Scheme is estimated to be **\$75 million**.

Urgency

9. The livelihood of large number of sports coaches have been seriously affected by the recent closure of schools and sports venues of LCSD and sports clubs, their sports lessons and private coaching have ceased and there is an urgent need to provide assistance to them.

Implementation

10. Eligible coaches who were given the grant under the second and third rounds of injection to the AEF 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 the scheme in the context of the second and third rounds of AEF injection, 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.

11. Subject to funding approval, we target to invite application within one month.

**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 to 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 pandemic situation and interest class instructors hired by these units have lost much of their income. SWD launched two phases of the “Scheme on Relief Grants for Interest Class Instructors Hired by Organisations Subvented by the SWD” to provide relief assistance for them. Scheme I, launched under the second round of the Anti-epidemic Fund (AEF) in May 2020, has provided a one-off relief grant at the rate of \$7,500 for around 4 150 eligible interest class instructors who were engaged or planned to be engaged by subvented welfare service units from February to August 2020 with around \$31 million relief grants disbursed. Scheme II, launched under the third round of AEF in October 2020, provides another one-off relief grant at the rate of \$5,000 for each of the successful applicants for Scheme I who have lost further income as a result of the continued suspension of services under the persistent epidemic situation, and new eligible applicants affected during the period from September to December 2020. The application period of Scheme II was closed on 16 December 2020. While more time is required to process the applications, it is estimated that around 3 500 eligible interest class instructors would benefit, involving relief grants of around \$17.5 million.

3. Under the new normal, while subvented welfare service units started preparing to gradually resume interest class activities in a smaller scale with proper infection control measures in place, the local epidemic situation has deteriorated since mid-November 2020 with the scale and impact much greater than before.

/Interest

Interest class activities of subvented welfare service units have come to a halt again. In view of the unstable and severe situation of the epidemic, to ensure public health and to continue social distancing measures, it is expected that full scale implementation of interest class activities in the service units will not be possible in the near future. To provide further support for interest class instructors, it is proposed that another one-off relief grant of \$7,500 be provided for each of the successful applicants for Scheme I and/or Scheme II who have lost further income as a result of the continued suspension of services under the prevailing epidemic situation, and new eligible applicants. Same as Schemes I and II, 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 current injection.

Financial implications

4. The total amount of relief grants for implementation of this measure is estimated to be **\$45 million** for around 6 000 beneficiaries.

Urgency

5. The livelihood of interest class instructors of subvented welfare service units has been seriously affected due to the further service suspension of these units in the light of the prevailing epidemic situation. There is a dire need to provide further relief assistance for this group.

Implementation

6. Eligible interest class instructors who have been given relief grants under Scheme I and/or Scheme II 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 Scheme I, 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 Education Bureau and LCSD under the current injection 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.

/7.

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 (HAB)

Implementation : HAB and others

Objective

To provide further financial assistance to individual arts practitioners and freelancers whose living has been seriously affected as a result of the closure of performing venues among tightened social distancing measures imposed by the Government.

Brief description

2. The livelihood of individual arts practitioners and freelancers in the arts and culture sector has been significantly affected by the closure of performance venues of the Leisure and Cultural Services Department (LCSD)¹. As one of relief measures under the Anti-epidemic Fund, the Government introduced a “Support Scheme for Arts and Cultural Sector” that is administered by the Hong Kong Arts Development Council (HKADC). Under the scheme, two rounds of assistance were provided to eligible individual arts practitioners and freelancers in March and October 2020 respectively. Upon successful application, they were each given a subsidy of up to \$12,500 (\$7,500 plus \$5,000). As at 3 December 2020, more than 3 300 eligible individual arts practitioners and freelancers have benefited under the scheme. HKADC’s disbursement is ongoing.

3. We have separately engaged the Chinese Artists Association of Hong Kong (Barwo) as our agent to disburse subsidies to art practitioners/freelancers in the Cantonese opera sector². In accordance with the parameters agreed with the

/Government

¹ During first three waves of Coronavirus Disease 2019(COVID 19), performance venues under LCSD were closed from 29 January to 19 June; and from 15 July to 11 September 2020. Performances with live audience only resumed on 1 October 2020. Due to the recent outbreak of COVID-19, performance venues under LCSD were closed again starting from 2 December 2020 (allowing only rehearsals and live performances without audience). As the pandemic situation worsened, all performance venues have been completely closed from 10 December 2020.

² The principle of subsidisation under the scheme was to help mainly the frontline and low-income practitioners. The frontline staff enjoyed a higher percentage of the subsidy which was based on the practitioners’ salaries.

Government, Barwo has disbursed subsidy to 786 practitioners in the Cantonese opera sector. Disbursement is ongoing.

4. In view of the recent outbreak of COVID-19, the Government has tightened up social distancing measures with a view to curbing the spread of the virus. All performance venues managed by LCSD have been completely closed from 10 December 2020 and rehearsals and live performance without audience were no longer allowed (please see footnote 1 for details on closure dates). As year-end is traditionally the high season of performances, the livelihood of individual arts practitioners and freelancers in the arts and culture sector has been badly hit due to the closure.

5. HAB has sounded out the industry through formal and informal channels. At the meeting held on 10 December 2020, HKADC members, 10 of whom are nominated by various arts forms, expressed their views on possible government relief for the industry to tide over the difficulties. We have also discussed with the executive of HKADC and LCSD (which provides sponsorship to a wide range of arts groups and have first-hand information on their operation).

6. It is considered that further financial relief should be provided to individual arts practitioners/freelancers. Many of the arts practitioners depend on performances for income. Almost nine months of on-and-off closure of performance venues in 2020 have dealt a serious blow to their livelihood and many of them are struggling to remain in the industry. Direct financial assistance would be needed to sustain their continued presence in the sector.

7. We propose that a one-off assistance of \$7,500 each be provided to eligible individual arts practitioners/freelancers who received subsidy through application from HKADC and Barwo.

8. 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 subsidy³. This provision of one-off subsidy of \$7,500 is similar to the arrangement to provide additional grant to eligible registered coaches under “National Sports Associations” and Sports Organisations under the “One-off Grant to Registered Sports Coaches” scheme.

/Financial

³ Each art practitioner should receive the \$7,500 subsidy once. We will check against the two lists of individuals under HKADC’s scheme and Barwo’s scheme to avoid double counting.

Financial implications

9. Based on the disbursement statistics, we estimate that about 5 000 individual arts practitioners and freelancers in the arts and culture sector will be eligible for this round of relief. The financial implication is **\$40 million**.

Urgency

10. 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 recent closure of performance venues, their job opportunities have been significantly reduced and there is an urgent need to provide assistance to them.

Implementation

11. We will provide the one-off subsidy of \$7,500 to each of the eligible individual arts practitioners/freelancers through HKADC and Barwo.

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

Policy Bureau : Home Affairs Bureau

Implementation : LCSD

Objective

To provide additional ex-gratia payments to the following part-time staff –

- (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 28 November 2020 to 31 January 2021 that are recently cancelled due to the closure of sports venues;
- (b) Speakers and storytellers who are engaged by LCSD to conduct programmes from 2 December 2020 to 31 January 2021 that are recently cancelled due to the closure of LCSD public libraries; and
- (c) Part-time ushers (PTUs) and part-time ticketing assistants (PTTAs) who are engaged by LCSD to provide services to programmes from 2 December 2020 to 31 January 2021 that are cancelled due to the recent closure of performance venues.

Brief description

2. In view of the worsening situation of the Coronavirus Disease 2019(COVID-19) pandemic in the community in late November 2020, the Government further tightened a series of social distancing measures to combat the virus. To tie in with the Government's implementation of the social distancing measures, the LCSD announced to close some leisure and cultural venues/facilities from 2 December 2020 until further notice.

3. Due to the closure of the sports venues of LCSD, 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 to render services for the planned programmes, LCSD has provided two rounds of ex-gratia payment to the personnel concerned for the programmes cancelled during the periods between 29 January to 31 March 2020 and 15 July to 30 September 2020 respectively. They received ex-gratia payment equivalent to their full salary of the cancelled programmes in the first round of payment while received ex-gratia payment equivalent to two-thirds (2/3) of their full salary in the second round of payment. Similarly, ex-gratia payment were also given to speakers, storytellers and music course instructors who had already been engaged by the Hong Kong Public Libraries and Music Office respectively for cancelled activities as well as to the PTUs and part-time ticketing assistants who have committed engagement with LCSD prior to the closure of performance venues.

4. Due to the recent outbreak of COVID-19, sports premises and swimming pools have been ordered by the Government to close down and all the recreation and sports programmes organised or subvented by LCSD have to be cancelled again starting from 28 November 2020 by phases. Since the instructors/coaches/sports related personnel have already been engaged by LCSD or NSAs for the planned programmes from late November 2020 to January 2021, we consider that there is a need to provide ex-gratia payment equivalent to the full salary of the concerned personnel for services that would be delivered for the cancelled programmes to be held or commenced from 28 November 2020 to 31 January 2021 so as to relieve their difficulty under the pandemic situation. The estimated amount of the ex-gratia payment to the instructors/ coaches/sports related personnel is \$33 million for the cancelled programmes during this period.

5. Similarly, live performances at performance venues and extension activities of public libraries are suspended from 2 December 2020 followed by closure of all cultural venues from 10 December 2020 until further notice. All activities of Hong Kong Public Libraries in December 2020 and January 2021 would be cancelled. Since speakers and storytellers have already been engaged by the Hong Kong Public Libraries for planned activities from December 2020 to January 2021, we consider it a reasonable relief measure to extend the arrangement to provide full salary to them on an ex-gratia basis for programmes cancelled. Likewise, part-time ushers and part-time ticketing assistants have committed engagement with us prior to the closure of performance venues. We propose to adopt a similar arrangement to provide them with ex-gratia payment equivalent to the full salary to cover the period from 2 December 2020 to 31 January 2021. The estimated amount of the ex-gratia payment to the culture related personnel concerned is \$3 million during this period.

/Financial

Financial implications

6. The financial implication for providing ex-gratia payment again to around 4 450 part-time staff is estimated to be **\$36 million**, which is to be covered by anti-epidemic fund.

Urgency

7. Due to the recent closure of sports and cultural venues of LCSD, all 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.

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 further financial relief to places of public entertainment licence holders whose business has been hard-hit by the tightened 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 have been ordered to close for the period from 2 December 2020 to 23 December 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) \$100,000 for a holder of PPEL; and

(b) \$20,000 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

¹ Places of public entertainment only for live performances were allowed to open without live audience and under various conditions during the period from 2 to 9 December 2020.

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

exhibition. These places of public entertainment are affected by the epidemic and required to be closed under the directions issued under Cap. 599F.

5. Around 200 PPEL and 360 TPPEL holders should be eligible under the scheme.

Financial implications

6. The amount of subsidy involved is around **\$28 million**.

Urgency

7. The operation of the places of public entertainment has been hard hit by the tightened social distancing measures recently 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 further financial relief to operators of amusement game centres whose business has been hard-hit by the tightened 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) have been ordered to close for the period from 2 December 2020 to 23 December 2020.

3. To provide immediate financial relief to the affected operators, we propose to provide a subsidy of \$100,000 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 **\$24 million**.

Urgency

5. The operation of the amusement game centres has been hard hit by the tightened social distancing measures recently 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 another round of financial relief to cinema operators to help sustain their businesses which were mandated to be closed due to the tightened social distancing measures.

Brief description

2. Pursuant to directions made by the Secretary for Food and Health under the Prevention and Control of Disease (Requirements and Directions) (Business and Premises) Regulation (Cap. 599F), cinemas were mandated to be closed again from 2 until 23 December 2020. The operators have already been hard hit by the past two rounds of mandatory closure earlier this year^{Note}. 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 also a sharp drop in box office receipts due to reduced seating capacity and some audience avoiding indoor entertainment venues. In fact, box office per cinema per day in November 2020 before closure has already dropped by 20% compared with October 2020 and by 58% compared with January 2020.

3. We propose to provide a one-off subsidy of \$100,000 per screen to each existing cinema licensed as a place of public entertainment with commercial operation in November 2020. The maximum subsidy for a cinema circuit is \$3 million. There are around 290 screens being operated by around 60 cinemas in Hong Kong.

Financial implications

4. The estimated financial implication of the support measure is **\$21 million**.

/Urgency

^{Note} Cinemas were mandated to be closed from 28 March to 7 May and from 15 July to 27 August 2020 pursuant to Cap. 599F.

Urgency

5. Cinemas are a key player in the local 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.

Sports and Recreational Sites Subsidy Scheme

Policy Bureau : Home Affairs Bureau

Implementation : Home Affairs Bureau

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 tightened 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 introduction of requirements and restrictions imposed by the directions issued under Cap. 599F with effect from 10 December 2020.

3. To provide financial relief to these operators, we propose to provide a one-off subsidy of \$100,000 to each affected site.

Financial implications

4. The total amount of subsidy involved is around **\$8 million**.

Urgency

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

/Implementation

Implementation

6. Subject to funding approval, HAB will invite applications from these operators in early January 2021 and disburse the subsidies to the operators within about 30 days upon receipt of completed applications forms and supporting documents.

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 further financial relief to mahjong/tin kau licence holders whose business has been hard hit by the tightened 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 have been ordered to close for the period from 2 December 2020 to 23 December 2020.

3. To provide immediate financial relief to these affected operators, we propose to provide a subsidy of \$100,000 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 **\$7 million**.

Urgency

5. The operation of the mahjong-tin kau premises has been hard hit by the tightened social distancing measures recently 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

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 recent 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 2 December 2020 in an effort to further tighten social distancing measures. We propose to provide a one-off subsidy of \$100,000 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 **\$6 million**.

Urgency

4. The operation of these premises has been hard hit by the tightened social distancing measures recently 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 business has been hard-hit by the tightened social distancing measures imposed by the Government since 26 November 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 under the Prevention and Control of Disease (Requirements and Directions) (Business and Premises) Regulation (Cap. 599F), bathhouses are directed to close for business from 26 November 2020 until 23 December 2020. Their business has been seriously affected. Further to subsidies 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 \$100,000. 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 **\$5 million**.

Urgency

4. The operation of commercial bathhouses has been hard hit by the tightened social distancing measures recently 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 licensees of commercial bathhouses within about one week, with the target of disbursing subsidies to them within about two weeks from receiving their respective applications.
