

LCQ21: Supporting vehicle maintenance industry

Following is a question by the Hon Frankie Yick and a written reply by the Secretary for Transport and Housing, Mr Frank Chan Fan, in the Legislative Council today (June 24):

Question:

Some owners of vehicle repair workshops (workshops) have relayed that the vehicle maintenance industry has been hard hit by the coronavirus disease 2019 epidemic in recent months, with business turnover having dropped significantly. It is estimated that so far, over 100 workshops have closed down, with nearly 800 vehicle mechanics becoming unemployed or underemployed, and that some workshops are on the brink of closing down. However, workshops are unable to benefit from the two rounds of relief measures previously launched by the Government. Such owners have also pointed out that with the redevelopment of buildings in old districts one after the other, the number of street-level shops suitable for accommodating workshops has been dwindling, and the rental of existing workshops has been increasing incessantly. As a result, the vehicle maintenance industry has been shrinking continuously, making it difficult for the industry to meet the repair and maintenance needs of the nearly 800 000 vehicles across the territory. This situation may ultimately affect road safety and roadside air quality. Regarding the support provided by the Government for the vehicle maintenance industry, will the Government inform this Council:

(1) as the Chief Executive announced on the 6th of this month that the Government would launch relief measures for workshops, of the details of such measures, and whether the measures will include the provision of wage subsidies for workshop owners in respect of each employee who is aged 65 or above and has not participated in any Mandatory Provident Fund scheme; if so, of the details; if not, the reasons for that; and

(2) given that the industry has all along proposed for years that the Government construct an automobile maintenance complex equipped with central disposal facilities for waste oil, exhaust gas and waste water, so that workshops may move in for clustered operation and that the owners be charged rents of a level affordable to them, of the progress and preliminary conclusion of the Government's study on this suggestion?

Reply:

President,

My reply to the various parts of the Hon Frankie Yick's question is as follows:

(1) To assist the vehicle maintenance industry in coping with the operating

pressure brought by the coronavirus disease 2019 (COVID-19), the Government announced on June 22, 2020, that each eligible vehicle maintenance workshop (VMW) would be granted a one-off non-accountable subsidy of \$50,000.

Eligible VMWs can submit applications regardless of their registration status under the Voluntary Registration Scheme for Vehicle Maintenance Workshops of the Electrical and Mechanical Services Department (EMSD). VMWs applying for the subsidy must fulfill the following major criteria including having operated a vehicle maintenance business in a fixed place (with vehicle working bay(s)) on or before February 1, 2020, and maintaining a business operation on the day of application. Applicants will have to provide records of operation during the period from February 1 to May 31, 2020, e.g. information about the employed vehicle mechanics, vehicle maintenance service records, electricity bills or water bills of VMWs. VMWs that have received subsidy from the Retail Sector Subsidy Scheme under the Anti-epidemic Fund will not be subsidised under the current subsidy scheme.

Application for the subsidy is expected to open from mid-July 2020. EMSD is undertaking the relevant preparatory work and will announce the detailed arrangements in due course, including the application period, supporting documents required from the applicants in relation to the eligible VMWs and application procedures.

Separately, in order to maintain employment during the pandemic, the Government has launched the Employment Support Scheme (ESS) to provide time-limited financial support to employers to retain their employees who will otherwise be made redundant. All employers, including those in the vehicle maintenance trade, who have been making Mandatory Provident Fund (MPF) contributions for their employees or have set up Occupational Retirement Schemes Ordinance Schemes are eligible to apply for ESS. ESS has covered some 60 000 employees aged 65 or above with MPF accounts. Coupled with the aforesaid subsidy specifically provided for the vehicle maintenance trade, we believe that it would further help the trade tide over and benefit relevant VMWs and their employees.

(2) EMSD is conducting, in collaboration with the Hong Kong Productivity Council, the first stage benchmarking consultancy study on the designs of multi-storey buildings for VMWs, as well as related experiences in the provision of such workshops in different jurisdictions outside Hong Kong. The study is expected to be completed within the third quarter of 2020. The second stage of the consultancy study will commence after the first to examine whether the designs and options identified in the first stage could be applied to Hong Kong. The Transport and Housing Bureau and EMSD will consult the relevant stakeholders on the findings of the consultancy study when appropriate, with a view to collecting their views on the specific design requirements, technical details, mode of operation, etc. of multi-storey buildings for VMWs.

Transport Department's licensing offices to resume walk-in counter services from June 29

The Transport Department (TD) today (June 24) said that in view of the latest situation of COVID-19, the TD's Licensing Offices, Public Vehicles Unit, Driving Test Appointment Office, Vehicle Records Office, Driving Licence Records Office, Driving Offence Points Office and Cross Boundary Unit will resume walk-in counter services in full from June 29 (Monday) to process all licensing and related applications.

At the same time, the daily quota for online appointments for renewal of a full driving licence/vehicle licence, application for transfer of ownership of a vehicle and application for an international driving permit will be 4 500 and the opening period of 10 weeks for online appointments will be maintained.

The TD appeals to members of the public to use the online appointment services as far as possible so as to avoid the gathering of crowds and reduce waiting time at the Licensing Offices. Members of the public may also submit applications via the drop-in boxes at the Licensing Offices, by post or online to suit their needs.

In view of public health considerations, members of the public entering the TD's offices have to undergo on-the-spot body temperature checks arranged by the TD. Any member of the public whose body temperature is higher than 37.5 degrees Celsius or who refuses to undergo a body temperature check will be denied entry into the offices. The offices will also request members of the public to clean their hands with alcohol-based sanitiser before entering the offices and wear masks at all times in the offices. To reduce the risk of the spread of virus, the offices will also strengthen crowd control.

For enquiries, members of the public can contact the offices concerned of the TD at the following numbers:

Hong Kong Licensing Office	2804 2636
Kowloon Licensing Office	2150 7728
Kwun Tong Licensing Office	2775 6835
Sha Tin Licensing Office	2606 1468
Public Vehicles Unit	2804 2574
Driving Test Appointment Office	2771 7723
Vehicle Records Office	2867 4691
Driving Licence Records Office	2804 2596
Driving Offence Points Office	2804 2594
Cross Boundary Unit	2543 2114

LCQ16: Job creation for information technology sector

Following is a question by the Hon Charles Mok and a written reply by the Secretary for Innovation and Technology, Mr Alfred Sit, in the Legislative Council today (June 24):

Question:

The second-round relief measures, launched by the Government in April this year, include the allocation of around \$6 billion to create about 30 000 time-limited jobs in both public and private bodies in the coming two years. Such jobs include (i) some 4 600 positions for technicians and supporting staff, (ii) some 1 640 positions for seasoned professionals, and (iii) over 200 positions for fresh graduates. Regarding job creation for the information technology (IT) sector, will the Government inform this Council:

(1) of the details of those positions, among the aforesaid positions, which belong to the IT sector, including (i) the number of positions, job nature, entry requirements and pay levels, as well as (ii) the mode by which those positions created in private bodies will be subsidised by public funds; the latest progress of creation of such jobs and the timetable for the recruitment work;

(2) whether it will create more positions for seasoned professionals in the IT sector, in order to expedite the work on implementing eâ€‘Government Services, development of Smart City, etc.; and

(3) whether it will, by making reference to the Graduate Employment Training Scheme launched by the Government after the epidemic in 2003, consider implementing the following scheme: where an enterprise hires fresh graduates from university IT programmes for the purpose of supporting its participation in the Government's schemes such as the Distance Business Programme and the Technology Voucher Programme, and provides on-the-job training for such graduates, the enterprise is eligible for receiving from the Government a monthly training allowance of \$6,000 for each graduate so employed, with a view to creating jobs and encouraging enterprises to enhance the application of IT; if so, of the details; if not, the reasons for that?

Reply:

President,

To relieve the worsening unemployment situation due to the epidemic, the Government has earmarked \$6 billion under the Anti-epidemic Fund to create around 30 000 time-limited jobs in both the public and private sectors in the coming two years for people of different skill sets and academic qualifications. The time-limited jobs created under this measure will normally not exceed 12 months. Bureaux and Departments (B/Ds) are actively planning and implementing related preparatory and recruitment work.

Regarding the various parts of the question, our reply which is prepared in consultation with the Civil Service Bureau is as follows:

(1) According to the information provided by B/Ds (as at May 31, 2020), about 1 200 short-term positions involving information technology-related work are being planned for the time being. The relevant positions are mainly for supporting the development of FinTech and meeting short-term or time-limited manpower needs on information technology (IT) in B/Ds, including provision of technical support for anti-epidemic work, such as the StayHomeSafe Mobile App, e-wristbands, data processing and analytics related to anti-epidemic work. Depending on the requirements of individual positions, their academic qualification requirements include Secondary Education, Diploma, Higher Diploma, Associate Degree or University Degree. The remuneration would also be different depending on the requirements of the positions and the qualification of appointees.

Apart from providing subsidy to individual industries to increase manpower, majority of these additional jobs would be created by procurement of services from private consultants or contractors through contractual arrangements. It triggers the demand for manpower which in turn drives the private organisations to recruit more staff. Besides, the Government will arrange open recruitment of Non-Civil Service Contract staff to fill the positions within the relevant departments. The above additional jobs would be realised progressively within the next few months at the soonest.

(2) B/Ds have been actively carrying out information technology projects in recent years in order to enhance internal operational efficiency, promote digital government services and facilitate smart city development. To cope with the aforementioned work, the Government has been directly hiring IT grade civil servants, contract IT staff and IT service contractors' staff. In the past three years, the Government has recruited some 150 IT grade civil servants and some 230 contract IT staff on average per year.

We will continue to promote digital transformation of public services, including the launch of the Next Generation Government Cloud and Big Data Analytics Platform in the third quarter of 2020 and the iAM Smart one-stop personalised service platform in the fourth quarter of 2020. With reference to the nature of the existing and new measures, the hiring period, the qualification and working experience requirements, B/Ds will continue to adopt effective methods to hire IT grade civil servants, contract IT staff and IT service contractors' staff to cope with the manpower requirements.

(3) Home office and distance service models have become a new trend under the

epidemic. In this connection, the Government has launched the Distance Business Programme under the Anti-epidemic Fund to provide funding support for enterprises to adopt information technology solutions. The Programme supports enterprises to continue their business and services during the epidemic, create business opportunities and manpower demand for the industry, and will hopefully promote employment.

In fact, the Government has all along launched and enhanced various schemes to nurture and retain innovation and technology (I&T) talent. The Researcher Programme and Postdoctoral Hub under the Innovation and Technology Fund provide funding support for eligible enterprises to engage local university graduates and postdoctoral talent respectively to conduct R&D work. Each bachelor, master and postdoctoral researcher will receive a monthly subsidy of \$18,000, \$21,000 and \$32,000 respectively. We will consolidate the two programmes in July this year to provide more flexibility in hiring talent.

In addition, we have launched the STEM Internship Scheme to subsidise eligible STEM undergraduates and postgraduates to take up short-term I&T-related internship positions, with a view to encouraging them to experience relevant work and foster their interest in pursuing a career in I&T later on. Each intern will receive a monthly subsidy of \$10,500.

Under the Reindustrialisation and Technology Training Programme, we fund staff of local enterprises on a 2(Government):1(enterprise) matching basis to receive trainings in advanced technologies, including those related to IT.

In the long term, the Government will continue to actively implement a wide range of initiatives with a view to generating more business opportunities for the IT industry and creating more IT-related job opportunities for the youth.

LCQ7: Assistance for kaito operators

Following is a question by the Hon Frankie Yick and a written reply by the Secretary for Transport and Housing, Mr Frank Chan Fan, in the Legislative Council today (June 24):

Question:

Some operators of kaito services have relayed that both kaitos and ferries are operated by licensed operators and provide regular waterborne public transport services for residents on the outlying islands. Moreover, both kaitos and ferries have been affected by the epidemic recently, resulting in a drastic drop in their patronage and revenue, and yet they still have to meet expenses such as insurance premiums, maintenance costs,

fuel costs and staff salaries. However, the relief measures from which kaito operators may benefit are far fewer than those for ferry operators. In this connection, will the Government inform this Council:

(1) given that the majority of the employees working on kaitos have not participated in Mandatory Provident Fund schemes because they have reached the age of 65 or above, rendering kaito operators unable to apply for the wage subsidies under the Employment Support Scheme, whether the Government will extend the coverage of the following relief measure from which ferry and green minibus operators may benefit to kaito operators: provision of a monthly wage subsidy of \$6,000 in respect of each mature employee for a period of six months; if so, of the details; if not, the reasons for that, and what other support measures are in place;

(2) whether it will extend the coverage of the subsidy for repair and maintenance costs and insurance premiums, for which ferry operators are eligible to apply, to kaito operators so as to relieve the latter's operating pressure;

(3) whether it will include all kaito routes in the Government Public Transport Fare Concession Scheme for the Elderly and Eligible Persons with Disabilities and set the maximum subsidy amount according to the trip length of the kaito routes, so as to reduce the travelling expenses of elderly residents on the outlying islands while enhancing the competitiveness of kaitos; if so, of the details; if not, the reasons for that; and

(4) of the short, medium and long term measures in place to assist the kaito sector in resolving problems such as continuous shrinkage of the sector, incessantly escalating operating costs and succession difficulties of employees, so as to facilitate the sustainable development of the sector?

Reply:

President,

The Government has been adopting a public transport-oriented policy, which encourages the public to make good use of the public transport network for their journeys as far as possible. As regards ferry services, there are currently 13 outlying island ferry routes providing public transport services essential for the outlying islands and seven in-harbour ferry routes plying between both sides of the Victoria Harbour as supplementary transport services. In addition, as at May 2020, there were a total of 72 kaito routes in Hong Kong. Unlike outlying island ferry routes, most kaitos do not provide daily public transport services for the general public. Many of them are mainly intended for tourism or recreational purposes, operating on a relatively small scale and offering non-regular services. In general, kaito operators may adjust their service frequencies and fares on their own initiative in the light of demand, and do not need to submit audited financial details to the Transport Department (TD). Kaito services are thus different from the conventional outlying island and in-harbour ferry services in nature.

The Government understands the operational pressure faced by the transport sector (including kaito operators) under the current economic environment amid the coronavirus disease 2019 (COVID-19) pandemic. To assist the sector in coping with the challenges, the Government has announced earlier the introduction of a series of relief measures. Kaito operators, who are owners of local commercial mechanised vessels, may directly be granted a one-off non-accountable subsidy of \$10,000, a waiver of vessel licence fee for one year and a one-off survey fee subsidy. The TD also continues to maintain communication with kaito operators and help them as far as practicable.

In consultation with the relevant bureaux/departments, my responses to the question raised by the Hon Frankie Yick are as follows:

(1) and (2) Since kaito operators are not required to submit audited financial details to the TD, a full picture on their operating expenditure relating to staff remuneration, fuel and repair and maintenance costs and insurance premiums is not available. Furthermore, most kaito services operate on a relatively small scale. The TD understands that the operating personnel are mainly self-employed (i.e. license holders of kaitos and their family members) or part-time staff. To safeguard the proper use of public money, the Government does not recommend subsidising kaito services, as in the case of regular outlying island and in-harbour ferry services, by arranging reimbursement based on actual expenses on fuel, routine repair and maintenance and insurance premiums, or providing wage subsidies to eligible employees who are aged 65 or above and have not participated in Mandatory Provident Fund schemes.

That said, we understand that the COVID-19 pandemic, coupled with the necessary anti-pandemic measures including strict boundary control and social distancing, has reduced the overall patronage of kaito services and that the operating circumstances of certain services may not be improved in the near future.

In this regard, under the Anti-epidemic Fund, we will provide an additional one-off subsidy of \$20,000 for each vessel deployed in kaito services, involving an amount of about \$1.8 million. Preparation by the TD is underway and applications are expected to open in July.

(3) The Government has engaged a consultancy firm to conduct a review on the Government Public Transport Fare Concession Scheme for the Elderly and Eligible Persons with Disabilities. The consultancy firm has conducted consultations with relevant sectors and stakeholders and collected their comments with a view to proposing recommendations to the Government. The Government will respond to the comments received having considered the report to be submitted by the consultancy firm.

(4) As abovementioned, most kaito services are not the major daily public transport means and they operate at a smaller scale on a non-regular basis. Regulations imposed on kaito services by the TD are therefore relatively flexible, where kaito operators are generally allowed to adjust their service frequencies and fares on their own initiative subject to market demand, and

be exempted from requirements like providing audited financial information. Any operator interested in running a new kaito route may apply to the TD, which will process the application in accordance with the established mechanism, taking into account factors such as passenger demand and operational feasibility.

Furthermore, in case a kaito operator intends to switch from providing non-regular services to regular ones that will become essential external transport services for the public, and the operator consents to provide audited financial information, the Government will consider the application on its individual merits, including whether any Special Helping Measures (SHM) (Note) should be offered to the operator.

Note: Under the SHM, the Government reimburses outlying island ferry operators for certain operational expenses according to the actual expenditure, thereby alleviating the burden of fare increases on passengers and enhancing the financial viability of the ferry services.

S for S speaks on national security law

Following is the transcript of remarks by the Secretary for Security, Mr John Lee, at a media session after attending the Legislative Council meeting today (June 24):

Reporter: Secretary, since the laws could be enforced as soon as July 1, where will suspects be held from then on? For how long? And is the Police going to be in charge of them? And because reports said authorities are looking to set up a special detention facility for them, is that part of the preparation work the Police is doing?

Secretary for Security: We have to wait until the proper promulgation of the law so that we will know exactly what the law says and requires us to do. The preparation work is to ensure that when the law is promulgated, on which it becomes effective law in Hong Kong, how we are going to carry out our duties. So the preparation work is to ensure that we will be able to discharge that functions and responsibilities. As to how we will carry out those functions and responsibilities, first of all, we'll have to wait for the details of the provisions. Second is, when we implement, what will be required? We will basically be doing what the law actually asks us to do. If the current practice satisfies the requirement, then we will be basically carrying out our duty in that way.

(Please also refer to the Chinese portion of the transcript.)