

LCQ20: Initiatives of giving out cash coupons

Following is a question by the Hon Holden Chow and a written reply by the Secretary for Labour and Welfare, Dr Law Chi-kwong, in the Legislative Council today (November 11):

Question:

There were public comments expressing dissatisfaction that the two leading supermarket chains (the two leading supermarkets), which had sale increase instead of decrease amid the epidemic, had received, just like other enterprises which had experienced business difficulties, the first tranche of subsidies provided to employers by the Government under the Employment Support Scheme. In view of this, the Government has required that the two leading supermarkets must implement give-back schemes approved by it before they may be granted the second tranche of subsidies under the Scheme. Their give-back schemes as approved include initiatives such as giving out cash coupons to underprivileged groups and members of the public. In this connection, will the Government inform this Council:

(1) of those proposed schemes other than the initiatives of giving out cash coupons considered by the Government when it vetted and approved the give-back schemes, and the relevant details; and

(2) of the mechanisms in place for the two leading supermarkets to report to the Government and for the Government to monitor the implementation of the initiatives of giving out cash coupons; whether it knows the details of such initiatives, including the lists of charitable organisations which assist in distributing the cash coupons to underprivileged groups, as well as the numbers and the total value of the cash coupons given out so far?

Reply:

President,

In consultation with the Policy Innovation and Co-ordination Office (PICO) who is responsible for implementing the Employment Support Scheme (ESS), my reply to the Member's question is as follows:

(1) and (2) Having considered the implementation of the first tranche of the ESS and views of our society, the Government introduced two initiatives under the second tranche of ESS which target on two large supermarket chains and major property management companies that are not affected by the pandemic. As far as the abovementioned supermarket chains are concerned, the Government will first consider the give-back proposals submitted by the two chains' groups before approving the ESS applications from Wellcome and ParknShop.

The two supermarket chains have submitted give-back proposals to PICO alongside their applications under the second tranche of ESS. The give-back proposals were subsequently examined and approved by PICO. The give-back proposals submitted by Wellcome and ParknShop must meet the following three principles laid down by the Government:

(a) the rebate should not be less than 50 per cent of the ESS subsidies approved under the second tranche;

(b) the initiatives in the give-back proposals should be quantifiable and transparent. The initiatives should also be on top of what the two supermarket chains have been doing without the ESS subsidies; and

(c) the types of beneficiaries of the rebate may include, in order of priority, the underprivileged groups, customers and their frontline staff. The amount attributable to the underprivileged groups should be no less than 50 per cent of the minimum rebate amount (i.e. the rebate referred in (a)) while that for staff should not be more than 10 per cent of the minimum rebate amount.

Wellcome and ParknShop received wage subsidies of \$184.5 million and \$161.96 million respectively under the second tranche. According to the first principle, Wellcome and ParknShop should rebate not less than \$92.25 million and \$80.98 million. The give-back proposals submitted by Wellcome and ParknShop amount to \$100 million and \$81 million respectively, representing 54 per cent and 50 per cent of the respective wage subsidies.

In the give-back proposal of Wellcome, 90 per cent of the minimum rebate amount is attributable to the cash coupons, meal coupons and one-on-one matching donation for the underprivileged; 10 per cent is attributable to the rewards to be given to frontline staff. As regards the give-back proposal of ParknShop, 50.5 per cent of the minimum rebate amount is attributable to the food coupons for the underprivileged, 39.5 per cent is attributable to the cash coupons for customers and 10 per cent is attributable to the rewards to frontline staff.

According to the second principle as mentioned above, we have, after considering views of the larger society, explicitly indicated to the two supermarkets that we do not support the inclusion of discount offers for customers (including price reductions, price freeze and any price-sensitive initiatives) in their give-back proposals because it is difficult for the Government and the general public to constantly monitor price changes and to differentiate the discount offers from the two supermarket chains' daily promotions, making it difficult to quantify the give-back proposals and also undermining transparency. Therefore, the give-back proposals approved by the Government do not include any discount-related initiatives.

Moreover, PICO has required the two supermarket chains to execute the give-back proposals before the end of December 2020 and to announce the list of partner non-governmental organisations (NGOs) as well as other information at suitable juncture, so as to maintain transparency and enable monitoring by

the public. We note that the two supermarket chains have respectively announced their give-back proposals including the implementation details. Among which, ParknShop has already announced the list of partner NGOs whereas Wellcome has also announced its initial list of partner NGOs. For monitoring by the public, we have also requested the two supermarket chains to publish the final list of partner NGOs, the number of beneficiaries and the amount involved after the two chains distribute the cash or meal coupons.